

Sales Management

THE MAGAZINE OF MARKETING

After \$193 million losses, over 45 months...

Studebaker with *LARK*² Starts Up Again

Page 33



Thieves in White Collars

Page 44

How 112 Top Sales Chiefs Are Paid

Page 95

Wonderful things



NO. 1 IN CIRCULATION

are cooking at Ladies' Home Journal!



Some epicurean editorial items: During 1958, ten Journal books appeared in hard covers and some are still on best-seller lists. Coming in 1959, will be more exciting fiction by such authors as Daphne Du Maurier... Isak Dinesen... Jessamyn West. Also, the Journal will continue to publish stimulating articles by Dr. Spock, Dorothy Thompson, Margaret Hickey, and, of course, such ever-popular features as "How America Lives," "Can This Marriage Be Saved?" and "Tell Me, Doctor."

Some tasty figures on circulation: Ladies' Home Journal's average circulation for the first nine months of 1958 was 5,703,413*—a gain of 160,000 over 1957... 483,000 over 1956! (That means advertisers have been receiving a circulation bonus of over 200,000.) At the newsstands, the Journal still outsells... and by a wide margin... all other women's magazines.

Some appetizing news about advertising: The March Journal set a new revenue record for that month with a total of \$3,233,475—up 13.6%. This continues the surge which began with the record-breaking February issue, when the Journal showed a 36% gain in advertising revenue and a 25% gain in lineage. All this makes the first quarter of 1959 the biggest in Journal history! No wonder the Journal is No. 1 in the plans of advertisers who know the importance of womanpower and Journalpower.

Ladies' Home Journal is cooking with... womanpower! The kind of editing that's made one magazine far and away the No. 1 magazine in the hearts of women is what we call *Journalpower*. And the Journal's vast and responsive audience of women is what produces that wonderful force we call *womanpower*. These two forces together produce salespower for advertisers. Our advertisers tell us this and prove they mean it by investing more money, and by a wide margin, in Ladies' Home Journal than in any other women's magazine.

*A.B.C.

Womanpower + Journalpower = Salespower

Ladies' Home JOURNAL
A CURTIS PUBLICATION

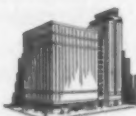
NO. 1 IN NEWSSTAND SALES

NO. 1 IN ADVERTISING

FEBRUARY 20, 1959

5 INCOMPARABLE CONVENTION AND SHOW CENTERS IN THE SOUTH

- ★ Central Locations
- ★ Flexible meeting space
- ★ Heavy duty facilities
- ★ Visual and acoustical devices
- ★ Excellent banquet facilities
- ★ Guest rooms—modern decor. TV
- ★ Hotels 100% air-conditioned
- ★ Ample garage facilities
- ★ Superb restaurants



DINKLER PLAZA
ATLANTA, GA.
Meetings • 25 to 2000
Banquets • to 1500
Guest Rooms • 600



DINKLER—TUTWILER
BIRMINGHAM, ALA.
Meetings • 25 to 1800
Banquets • to 1300
Guest Rooms • 450



DINKLER—JEFFERSON DAVIS
MONTGOMERY, ALA.
Meetings • 15 to 350
Banquets • to 275
Guest Rooms • 250



DINKLER—ANDREW JACKSON
NASHVILLE, TENN.
Meetings • 40 to 400
Banquets • to 350
Guest Rooms • 400



ST. CHARLES
NEW ORLEANS, LA.
Meetings • 12 to 900
Banquets • to 700
Guest Rooms • 500

WRITE SALES MANAGER
AT THE HOTEL OF YOUR CHOICE
FOR COMPLETE CONVENTION BROCHURE.

SYMBOL OF
FINE INNKEEPING
dinkler
HOTELS

CARLING DINKLER, SR., President
CARLING DINKLER, JR., Exec. V.P. & Gen. Mgr.

Sales Management

THE MAGAZINE OF MARKETING

February 20, 1959

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SALES MANAGEMENT

HIGHLIGHTS

STUDEBAKER, WITH LARK, STARTS UP AGAIN

In South Bend, Ind., they call it a miracle. But it's based on the solid belief of Studebaker's "miracle-making" president, Harold Churchill, that, "There'll always be a Studebaker." After \$193 million losses over 45 months, the tide turned last October. Monthly, since then, the company has operated in the black. Mike Hughes dramatically tells how.

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HOW 112 TOP SALES CHIEFS ARE PAID

An executive's income is a touchy subject. But if he makes at least \$30,000 and is one of top three highest paid officials in a publicly held company, his income is public record. Here the incomes of 112 sales chiefs are analyzed. How much? What bonuses, stock options, profit sharing? How did the recession affect incomes?

Page 95

THIEVES IN WHITE COLLARS

Internal thefts—most by "honest, trusted" employees—cost \$1 billion a year. Are your salesmen falsifying orders, giving or taking bribes, stealing parts? Norman Jaspán, president, Investigations, Inc., reports the steps you should take.

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WHEN INDUSTRY MOVES TO INTERURBIA

Marketing management must reshape its policies and strategy in the light of this new concept of industrial location. It's a trend. And it calls for a new look at all of your policies, from shipping to sales calls, from containers to compensation.

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Plant Hospital Sales Ideas at Planning Time

When hospital administrators and others with authority to buy need planning guides, they get their facts and figures from HOSPITALS' Guide Issue, the one authoritative planning reference.



Plan Now

to tell your product story where it influences hospital buyers for 12 full months . . . in HOSPITALS' Two Part Guide Issue. Publishing Date, August 1st. Closing Date, June 1.

HOSPITALS

5M

Journal of the American Hospital Association
840 North Lake Shore Drive
Chicago 11, Illinois

Please send details on HOSPITALS' 1959 Guide Issue:

- ☐ Display Advertising
☐ Classified Product Listings

Name _____ Title _____

Company _____

Principal Product _____

Street _____

City _____ State _____



HOSPITALS

840 No. Lake Shore Dr., Chicago 11, Ill.
Journal of the American Hospital Association

It's 2 to 1

in fast-service
eating places,
twice-the-turnover
per seat means...

MORE Meals
MORE Sales
MORE Profits

NO MATTER WHAT YOU CALL THEM

Coffee Shops
Confectionery Stores
Counter Restaurants
Department Stores
Diners
Drive-Ins
Drug Stores
Fountain Restaurants
Industrial Cafeterias
Luncheonettes
Sandwich Shops
Variety Stores

NO MATTER WHERE YOU FIND THEM

Airports
Bus Terminals
Railroad Stations
Main Streets
Main Highways
In Industry

**THEY ALL HAVE
ONE THING IN COMMON—**

FAST SERVICE

To effectively reach this
specialized market specify
FAST FOOD
for an advertising schedule

BPA

NBP

FAST FOOD

magazine

**630 THIRD AVE.
NEW YORK 17, N. Y.**



Sales Management

EXECUTIVE OFFICES: 630 Third Ave., New York 17, N. Y., YUkon 6-4800

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MANAGING EDITOR
SENIOR EDITOR
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U. S. and Canada: \$10 a year • Foreign: \$15

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Wm. McClenaghan



Bill Brothers Publications in **MARKETING** (in addition to *Sales Management*): Sales Meetings, Tide, Premium Practice. **INDUSTRIAL**: Rubber World, Plastics Technology. **MERCHANDISING**: Fast Food, Floor Covering Profits and Tires-TBA Merchandising.

ADVERTISING SALES—Offices and personnel listed in Advertisers' Index



Audit
Bureau
of
Circulations



Associated
Business
Publications



National
Business
Publications



Magazine
Publishers
Association

SALES MANAGEMENT, with which is incorporated **PROGRESS**, is published the first and third Friday of every month, except in May, July, September and November when a third issue is published on the tenth of the month. Affiliated with Bill Brothers Publishing Corp. Entered as second class matter May 27, 1942, at the Post Office, East Stroudsburg, Pa., under the act of March 3, 1879. Publication (printing) offices, 34 North Crystal St., East Stroudsburg, Pa. Address mail to 630 Third Avenue, New York 17, N. Y.

SALES MEETINGS, Part II of *Sales Management*, is issued six times a year—in January, March, May, July, September and November. Editorial and production office: 1212 Chestnut Street, Philadelphia 7, Pa. Walnut 3-1788; Philip Harrison, Publisher; Robert Letwin, Editor.

Copyright, Sales Management, Inc., 1959

SALES MANAGEMENT

Looking for TOP Newspaper Buys?

The boom town twins again led the nation's newspapers in advertising volume in 1958, but look who's third again. The Milwaukee Journal has been among the top three for ten years in a row — five times in first place.

Advertisers like Milwaukee's steady, solid growth. They like our one-paper coverage of 9 out of 10 homes in a metropolitan area with 1,170,000 people. They like Milwaukee's profit-producing purchasing power, fifth highest of the 20 largest markets. And, they're all in favor of the milline rate—20% below the average for newspapers of comparable size.

THE MILWAUKEE JOURNAL

National Representatives,
O'Mara & Ormsbee, Inc.



MEDIA RECORDS, INC.

NEW YORK CHICAGO COLUMBUS SAN FRANCISCO



LEADERS IN ADVERTISING IN THE U.S.
YEAR - 1958

TOTAL ADVERTISING

	LINAGE
1. Los Angeles Times - M & S	65,378,199
2. Miami Herald - M & S	56,037,633
3. Milwaukee Journal - E & S	50,974,383
4. New York Times - M & S	50,655,463
5. Chicago Tribune - M & S	50,080,535
6. Cleveland Plain Dealer - M & S	43,928,270
7. Washington Star - E & S	41,798,927
8. New Orleans Times-Picayune	41,191,750
9. Houston Chronicle - E & S	40,473,646
10. Baltimore Sun - E & S	39,956,386

RETAIL

1. Los Angeles Times - M & S	34,938,816
2. Milwaukee Journal - E & S	29,554,345
3. Miami Herald - M & S	29,369,037
4. New York News - M & S	29,068,177
5. Chicago Tribune - M & S	28,493,312
6. Washington Star - E & S	26,168,639
7. New Orleans Times-Picayune	26,099,166
8. Baltimore Sun - E & S	23,575,696
9. Houston Chronicle - E & S	23,304,496
10. Cleveland Plain Dealer - M & S	22,468,645

CLASSIFIED

1. Los Angeles Times - M & S	19,238,011
2. Miami Herald - M & S	16,775,690
3. Milwaukee Journal - E & S	13,586,041
4. Cleveland Plain Dealer - M & S	13,479,699
5. New York Times - M & S	12,262,228
6. Minneapolis Star & Tribune	12,026,340
7. Akron Beacon Journal - E & S	11,541,675
8. Cincinnati Enquirer - M & S	11,403,652
9. Chicago Tribune - M & S	10,844,240
10. Denver Post - E & S	10,560,342

AUTOMOTIVE

1. Providence Journal - M & S	2,838,152
2. Miami Herald - M & S	2,818,991
3. Baltimore Sun - E & S	2,247,737
4. Jacksonville Times-Union - M & S	2,204,721
5. Rochester Democrat & Chronicle	2,181,017
6. Washington Post & Times-Herald	2,120,653
7. Milwaukee Journal - E & S	2,089,263
8. Tampa Tribune - M & S	2,045,410
9. Phoenix Republic - M & S	2,022,371
10. Los Angeles Times - M & S	1,975,438

R O P COLOR

1. Milwaukee Journal	2,400,344
2. Los Angeles Times	1,882,231
3. Miami Herald	1,679,383
4. Chicago Tribune	1,603,815
5. Salt Lake City Tribune	1,462,789
6. Atlanta Journal & Constitution	1,458,846
7. St. Louis Globe-Democrat	1,418,262
8. Houston Chronicle	1,348,518
9. Birmingham News	1,339,785
10. Nashville Tennessean	1,295,416

MEDIA RECORDS



In Philadelphia nearly everybody reads The Bulletin

The Evening and Sunday Bulletin, Philadelphia

ADVERTISING OFFICES: Philadelphia • New York • Chicago

REPRESENTATIVES: Sawyer Ferguson Walker Company in Detroit • Atlanta • Los Angeles • San Francisco

FLORIDA RESORTS: The Leonard Company • Miami Beach

A Poor Product; a Tough Sale

The sales manager who has perhaps the toughest job in the United States today is brand new on the job and loaded with handicaps, not the least of which is the skepticism of you, his prospects.

The man we are talking about is "a stocky, pleasant Russian gentleman named Nicolai Smeliakov" (see page 37, "How to Do Business with Russia"). Smeliakov is the new president of Amtorg Trading Corp., the new boss of the 15-man Soviet agency set up to conduct trade to and from the United States.

If ever a regional sales manager had his work cut out for him, it is Mr. Smeliakov. You might say that his erstwhile boss, Anastas I. Mikoyan, the Soviet trade specialist, was a sensational success in impressing business people—until his last two days in the United States, when the shabbiness of his bill of goods became patently self-evident. Smeliakov accompanied Mikoyan on his tour. Business Week so aptly described Mikoyan as "the salesman who couldn't sell."

The Soviet Union, obviously, is engaged in economic competition based on aggressive movement. In relation, the United States is in the position of engaging in a static defense, which may have been good in the immediate postwar years, but is not likely to satisfy the people of the world as to our good faith in trying to find ways to reduce "cold war" tensions.

Senator Hubert Humphrey, in private conversations, outlines a dynamic, creative American approach to the trade problem. The essence of Senator Humphrey's plan is: The United States should make up a list of 500 consumer products, and work out a plan whereby the Soviet Union could purchase these consumer products, then with appropriate worldwide publicity, offer these consumer products to the U.S.S.R.

Khrushchev and Mikoyan have led the Russian people to believe that the U.S.S.R. seeks to buy consumer goods so as to increase the standard of living at home. But the Russians, in their private conversations in the United States, make no attempt to buy consumer goods. As everyone knows, they are after petrochemical plants and heavy industrial prototype machinery.

The United States could make a sincere offer to sell its consumer goods to the Soviet Union. Then the Russians would have to put up or shut up, about the development of two-way trade. If the Russians run true to form they would reject the offer. If they accepted, the Russian people would win, and so would the United States. As it stands now, many nations believe the U.S. has set up the barrier. Let's call the bluff.

(continued)

Just like Newton
and the Apple



people
REACT
to the
voice and vision
of NBC in
South Bend - Elkhart

call Petry today!

WNDU-TV CHANNEL 16
BERNIE BARTH & TOM HAMILTON



62.7%*

of all daily newspaper readers
in Toronto read the

TORONTO DAILY STAR

80 King Street West, Toronto

In the United States:
Ward Griffith & Co. Inc.

*Gruneau Research Survey 1958

[illegible]

Ask PGW for *all* the facts on WHO-TV.

	DAYTIME		NIGHTTIME	
	Weekly	Daily	Weekly	Daily
WHO-TV	214,800	144,830	238,830	187,640
Sta. "K"	197,100	129,430	218,850	173,370
Sta. "W"	222,750	133,260	255,470	180,350

WHO-TV is part of
Central Broadcasting Company,
which also owns and operates
WHO Radio, Des Moines
WOC-TV, Davenport

NBC
Affiliate

How to Get Rich

The title of the Bantam Book reads "100 Stories of Business Success . . . or . . . How to Get Rich as Fast as Possible." It's a reprint of a Simon and Schuster book titled simply "100 Stories of Business Success."

The reprint title is a mouthfull—but it turns a sheaf of case histories into a book with a hook few of us can resist. It doesn't tell us how to get rich, or how to get rich fast, but how to get **rich as fast as possible**. Therein lies the implication for anyone in sales today.

Is your product presented in the most meaningful way to prospects? Does your advertising really promise anything? Are you selling advantages, or simply making an offer?

Bantam changed the book's title to fill it with personal promise. Next time you're selling a new factory system to a purchasing agent, try this. Don't only tell him of the time and money the system will save. Tell him he'll make a mark for himself as a shrewd p.a. Tell your prospects what your product will do for them personally, and get them excited!

Percent of Prospects You Can Ignore

Is it 23%? Or is it 25%. Or 29%? Perhaps 22%?

You may want to do some checking into the situation in your own sales force. This suggestion is prompted by a study just completed by Foundry magazine. 1,083 respondent foundrymen answered this question:

"How often do foundry equipment salesmen call on you—who influence foundry industry buying?"

Let us see what they reported about some of your salesmen. (Many of you do not make equipment that could be bought by a foundry, but perhaps you will be surprised at the answers, too.)

Would you be surprised if your prospects (with job classifications of administrative personnel, purchasing personnel, production management, engineering personnel, foremen personnel and process control personnel) told you that only 11% of salesmen selling furnace and oven equipment call on them "regularly?" Or that 30% of the salesmen call only "occasionally?" Or that 31% call "only on request?" Or most of all by the declaration of your prospects that 28% of the salesmen "do not call at all?"

Each one of you will have your own idea of what is a tolerable percentage. We don't propose to answer this question for you, although you probably will find it worthwhile to study a copy of "The Pattern of Foundry Industry Buying Practices." You can see the patterns in the percentage of calls in the various job classifications, and the frequency of calls in each classification. This study might lead you to make your own analysis, or perhaps you might ask the business publications in your particular field to make a comparable study. In any case, we bet this kind of analysis will cause you to review the various ways in which you convey your product information to your customers.

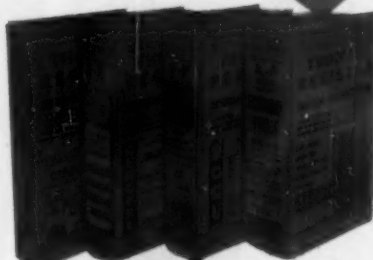
T.R. Sets a NEW All Time Record

12,265
Advertisers

46,360
Advertisements

...All in one
10,000 page
Annual Edition!

Thomas Publishing Company
461 Eighth Ave. • New York, N. Y.

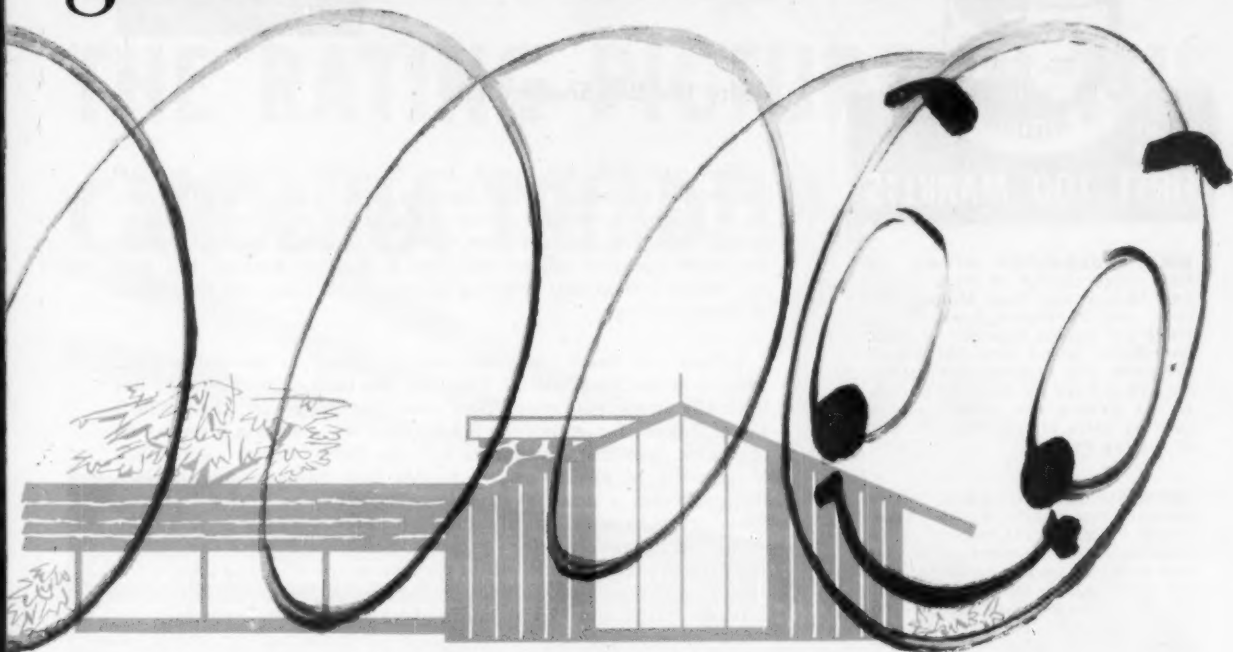


Industry's
No. 1
Market Place

Special interest magazines



get **ACTION!**



"Build it!" they said—and action made a dream come true

"Home" is an *action* word to millions of Americans. It is not only the fulfillment of a dream—but the beginning of a new consumer life.

When *House Beautiful* ran 37½ pages on the Scholz Homes "Mark 58" promotion—the response sparked *action* among more than 30 national manufacturers and 80 builders all across the country.

Action? Over two million people visited Scholz model houses since the opening last June. More than 700 homes were sold to buyers. "Never anything like it in our experience with magazines," writes Donald J. Scholz, President of Scholz Homes, Inc.

Pre-sold prospects: Like all Hearst Special Interest Magazines, *House Beautiful* delivers an audience of pre-sold prospects (700,000)—not just suspects.

There is no waste here. A special interest magazine is tailored to its market. Reader and advertiser share a common interest—speak a common language. And advertising is surrounded with a climate of acceptability that offers a tail wind for sales *at the local level*.

So if you want *action* in terms of sales, look to the medium that is geared for *action*, saleswise. For advertising dollars work hardest where interest is greatest—and readers of Hearst Special Interest Magazines are already sold... only need to be told!

Six Keys to Profits Through Action

- Hearst readers are prospects, not just suspects
- Advertising is focused where interest is keenest
- Editorial and advertising content work together
- Editorial integrity lends prestige to advertising
- Each Hearst Magazine is an authority in its field
- Hearst readers are sold—only need to be told!



© 1959 by The Hearst Corporation

Hearst Magazines Get Action!

FEBRUARY 20, 1959

11



WHAT "QUAD-CITIES" MEANS. The four cities consist of Rock Island and Moline and East Moline, Illinois; and Davenport, Iowa. These cities are located together in Scott and Rock Island Counties which comprise this metropolitan county area as defined by the U.S. Bureau of the Census and which is also used by Sales Management Survey of Buying Power.

THE MISSISSIPPI RIVER which flows through the heart of the Quad-Cities enhances the region as an important distribution area. A vast fuel terminal on the north bank of the Mississippi is used by six major oil companies as a key distributing point for their products over a radius of 150 miles in Iowa and Illinois.

WAREHOUSES AND DISTRICT OFFICES of practically all major consumer goods manufacturers are located in the Quad-Cities. They maintain strong sales staffs that serve many counties in Illinois and Iowa where they often attain sales volume that achieves national recognition.

ADVERTISING CAMPAIGNS are scheduled for Quad-City newspapers to support these locally based distributors that serve over a quarter of a million metropolitan area consumers and the additional excellent trading area surrounding.

CURRENT MARKET INFORMATION is available to you in the complete, up-dated Quad-City Marketing Edition recently released by The Dispatch and The Argus. It contains a wealth of data that can assist national advertisers in profitably promoting the Quad-City metropolitan area.

ADDRESS YOUR INQUIRY to Harold Swanson, National Advertising Director of The Argus and The Dispatch.

**MOLINE DISPATCH
ROCK ISLAND ARGUS**

Not. I. Repr. — THE ALLEN-KLAPP CO.

CORPORATE CLOSE-UP

SCHICK

Why the Big Shake Up?

Tomorrow (Feb. 21), Schick, Inc., Lancaster, Pa., drops its 1200 distributors and begins selling direct to its 15 to 20 thousand dealers. In an industry plagued by price (some people say "throat") cutting, Schick's new management team, Chester G. Gifford, board chairman and chief executive officer; and John J. Reidy, president, feel they are "taking a bold step in trying to bring sales sense into the chaos" of their industry.

Gifford and Reidy, who returned to Schick in November (See: They're in the News, Jan. 2, Page 23), are both outwardly quiet but internally strong marketers. They were handpicked by Charles Revlon of Revlon, Inc. to run the Schick show when Revlon bought 20% of Schick stock last November. And the factory direct sales policy is only one of several major changes they have announced since they took over a scant 90 days ago. The others: no more trade-ins, lower prices to meet prevailing market conditions (\$12.95 to \$25.50 as against the former price spread of \$15.98 to \$33.50), and lower markups (from the former 40 to 50% down to 30%). Coming up: a new model shaver (probably to be introduced next month) to retail between \$26.50 and \$28.50, and a major promotional program.

It's no secret that many electric shaver retailers are literally sick of the business. Says one retailer: "No independent dealer can handle Schick at all when outpricers [discount houses] advertise them at retail for less than we pay for them at wholesale." It follows that Schick has been losing dealers. Says Reidy: "Large, as well as small, dealers have been getting out of the business because they just can't make money."

Sales, too, have been slipping. Gifford and Reidy both say, "More people shave with Schick than with any other shaver," but they can't say more people are now buying Schick. Remington is currently acknowledged industry sales leader. In 1956 Schick's sales totaled \$27.5 million. In '57 sales dropped to \$25.1 million. And Reidy bluntly admits that '58 sales will show a "fairly substantial decrease from '57."

These, and other factors, brought about the Schick revolution. Says Reidy: "We want to live more closely with our retailers. We believe that as specialists we can help the dealer merchandise better so that he can sell more and sell at a profit." Among other things, "closer living" means authorizing or franchising dealers, increasing sales territories from 24 to 76, and a fourfold expansion of the sales force. Schick's 66 service centers will serve as distribution outlets. [Remington, meanwhile, continues selling through distributors. Suggested list price span here is from \$17.50 to \$34.50. New York's biggest discounter says at suggested list, dealers' markup would be about 47%, "but that's completely fictitious. Nobody sells at that anymore. Realistically, retailers are selling at an 18% or 19% markup."]

With the lower markup, many retailers ask, "Where lies the profit?" Gifford and Reidy are working hard to assure the dealer a profit through a stabilized markup and increased promotion, both local and national. Coming up soon: The biggest April, May, June advertising program Schick has ever had in that period.

As for the future: Both men say the first part of the year will be spent in rebuilding the Schick marketing foundation. "but we think we'll show a substantial increase in the last half of the year."

LOOK! WLOS-TV IS CHANGING THE RATING PICTURE IN THE CAROLINA TRIAD!

**SKILLED NEW MANAGEMENT, IMAGINATIVE NEW
PROGRAMMING GIVEN CREDIT IN DYNAMIC DRIVE FOR DOMINANCE**

In just two months, WLOS-TV's new management has shaped ABC's great line-up and strong new *local* programming into the powerful new force in the Carolina Triad rating picture.

The prominent new position enjoyed by WLOS-TV is shown in the figures below. Watch for further impressive gains!

ARB — NOVEMBER — 1958 . . . Asheville • Greenville • Spartanburg

SHARE OF AUDIENCE

SUNDAY through SATURDAY 6:00 PM to 10:00 PM	MONDAY through FRIDAY 3:00 PM to 6:00 PM
WLOS-TV.....30.5%	WLOS-TV.....35.2%
Station "b".....38.4%	Station "b".....30.5%
Station "c".....23.2%	Station "c".....22.5%

Remember—WLOS-TV delivers the only unduplicated VHF network service and the only complete coverage of this rich triad—425,360 TV homes in 62 counties of six states*, with retail sales of \$1,848,670,000.

*NCS #3—All TV Homes Sales Management—May, 1958

Represented by Peters, Griffin, Woodward, Inc.
Southeastern Representative: James S. Ayers Co.

The "Early Show"—6:15-7:30 p.m. Monday thru Friday has the highest weekly cumulative rating in the November book.

"American Bandstand" on WLOS-TV is the highest-rated daytime show in the Carolina Triad!

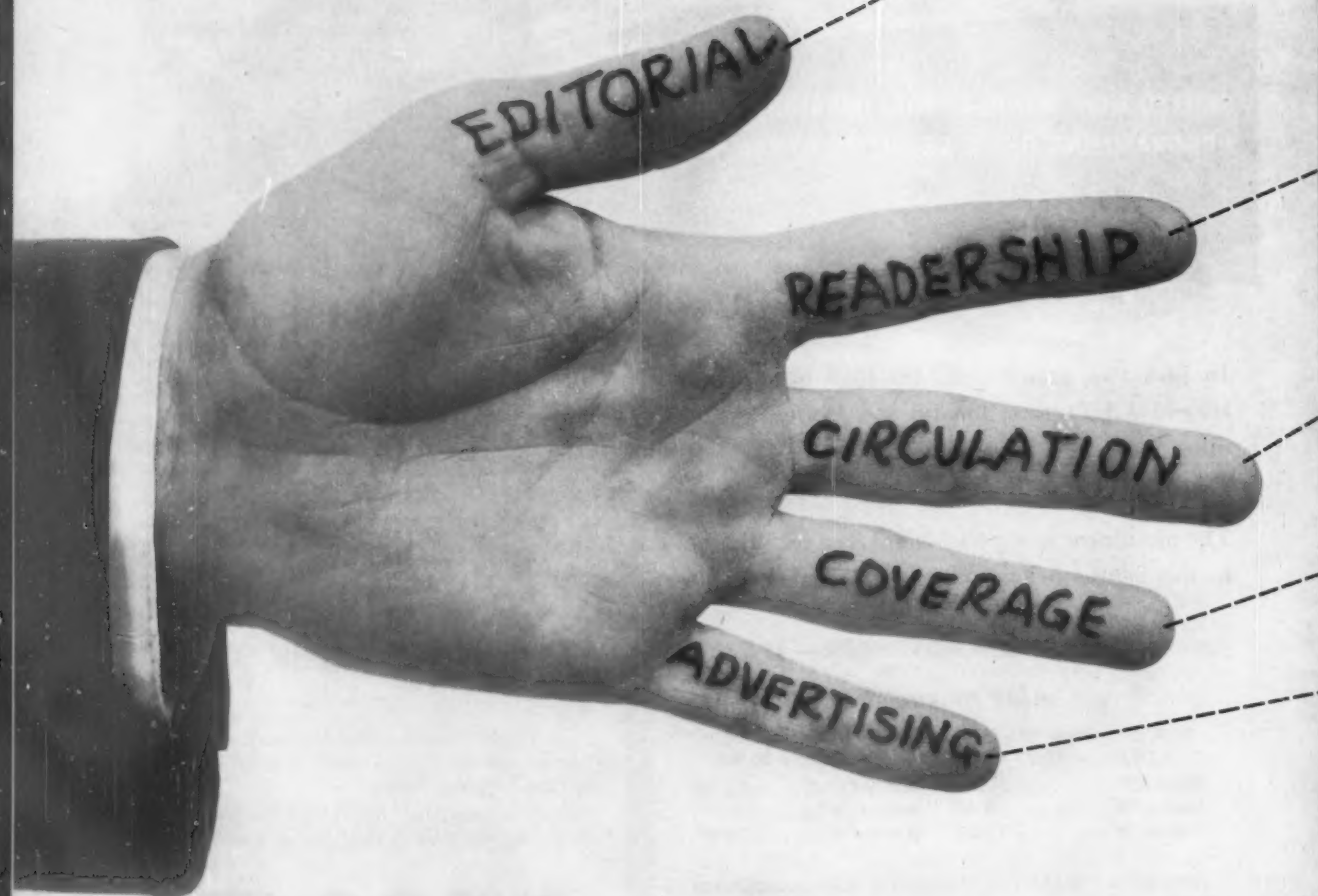
WLOS-TV

Unduplicated ABC in Asheville — Greenville — Spartanburg

WLOS AM-FM

Suggestion from Architectural Record to any building product advertiser seeking to determine which architectural magazine will serve him best in 1959

make
this
basic **5**-point comparison...



Editorial

You'll note that Architectural Record not only serves its architect and engineer readers with *more* editorial pages—but it is the one leading architectural magazine whose editorial content is . . .

- edited specifically for architects—and engineers in building;
- timed and balanced continuously with the aid of Dodge Reports to be of maximum value to architects and engineers *in terms of the work on their boards*;
- evaluated in terms of worth to readers by Eastman Research Organization and Continuing Readership Research.

You'll note, too, that Architectural Record's 40 awards for editorial excellence include 5 out of 6 awards to architectural magazines by the American Institute of Architects!

Readership

- Architects and engineers have steadily voted Architectural Record "preferred" in 115 out of 127 studies SPONSORED BY BUILDING PRODUCT MANUFACTURERS AND ADVERTISING AGENCIES.

Circulation

- More architects—and more engineers—subscribe to Architectural Record than to any other architectural magazine. (See recapitulation of architect and engineer circulation, pages 2 and 3 of A.B.C. statements.)
- Architectural Record's renewal percentage is highest, too.
- And you can reach Architectural Record's architect and engineer subscribers at the lowest cost per page per 1,000.

Coverage

Architectural Record's architect and engineer subscribers are *verifiably* responsible for planning 94% of the total dollar value of all architect-planned nonresidential building—and 77% of the residential building.

Advertising

For twelve straight years more building product advertisers have placed more pages of advertising in Architectural Record than in any other architectural magazine (69% more in 1958!)

Ask your Architectural Record representative for full information or write or phone the "workbook of the *active* architect and engineer" . . .

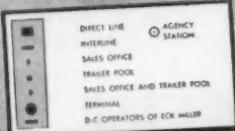


Architectural Record



119 West 40th Street
New York 18, New York OX 5-3000

Published since 1891 by F. W. Dodge Corporation whose services also include: Dodge Reports • Dodge Construction Statistics • Sweet's Catalog Service • The Nation's Schools • The Modern Hospital • College and University Business • Hospital Purchasing File • Dodge Books



- Exclusive, one-carrier **DIRECT** service from coast-to-coast.
- Fast, 2-man sleeper cab service that goes straight through, with no transloading. Saves up to 20% in running time.
- One-carrier responsibility, one-carrier control of your shipment from pick-up to delivery—with experienced personnel, modern equipment and facilities **ALL THE WAY!**
- Dependability resulting from consistently careful, swift handling of your shipments.

The DC logo, consisting of the letters 'D' and 'C' in a stylized, bold, italicized font, with a small dot above the 'C'.

ONE
STEP
ACROSS
THE
NATION



TERMINAL CITIES	
Albany, New York.....UN-8416	Los Angeles, Cal.....AN-1-0241
Buffalo, New York.....RE-3910	Nashville, Tenn.....CH-C-5284
Chicago, Illinois.....LA-3740	New York, New York.....LO-4-3320
Cleveland, Ohio.....SH-9-1866	(In Bergen, N. J.).....CH-3-0900
Colo. Springs, Colo.....ME-2-1466	Owensboro, Kentucky.....K-5363
Denver, Colorado.....DU-2-1927	Phoenix, Arizona.....AL-8-5321
Detroit, Michigan.....VI-3-9505	Pueblo, Colorado.....LI-3-4425
Evansville, Indiana.....HA-3-6487	St. Louis, Missouri.....CI-1-7820
Kansas City, Mo.....HU-8-9343	Seattle, Washington.....MA-4-3850
Louisville, Ky.....HU-3-9343	St. Paul, Minn.....GR-1-4103

OFF-LINE SALES OFFICES:

Atlanta	**Indianapolis	**Rock Island, Ill.
Boston	*Milwaukee	San Francisco
*Cincinnati	Philadelphia	South Bend, Ind.
*Dayton	*Portland, Ore.	**Toledo
*DeKalb, Ill.	Rochester, N.Y.	Washington, D. C.
*Ft. Wayne		

*With Trailer Pool

****Trailer Pool Only**

SIGNIFICANT TRENDS

Marketing News as Viewed by the Editors

Eagle Pencil Makes Its Points

The fine points of pencil quality were graphically demonstrated by Eagle Pencil Co. last week over a 12-city closed-circuit TV hookup. The audience 5,000 purchasing agents, dealer salesmen, dealers.

We single out the Eagle telecast, from among the many closed circuit programs currently being put on by business, for two reasons:

(1) Eagle used the medium to great advantage. It presented its huge and sensitive quality-testing machines live before a widely spread audience and measured the quality of its pencils against competitive products. Previously, these tests could only be seen on factory visits.

(2) Eagle is a relatively small company, with a fairly modest advertising budget. Its choice of closed-circuit TV for investment of some of its ad dollars was a bold one.

The show, produced by Theatre Network Television, Inc., originated from Eagle's plant at Danbury, Conn. There, tests for smoothness, durability and point-strength of the writing instrument were carried out. **The test for smoothness** involved a giant 14-foot pendulum, which was slowed and finally stopped by the friction of a pencil point. The smoother the lead, the longer the pendulum swung. **The test for durability** used a revolving, paper-covered cylinder, on which an Eagle Mirado pencil wrote a line 35 miles long. **The test for point strength** employed a machine that exerted pressure against a pencil point held at a normal writing angle. Snapping point was measured in pounds.

Following the telecast, David Price, vp and director of marketing for Eagle, talked about his reasons for using the closed circuit medium. "We have had these testing machines for 20 years. And, whenever purchasing agents and customers have

witnessed the tests they have always been completely sold on the quality of our products. But the problem has always been to get enough of these busy people out to the plant to see these demonstrations . . . so, by means of large-screen closed circuit TV projection we 'moved' our plant and testing equipment to them."

Kinescopes of the telecast will be seen by additional thousands of purchasing agents and key buyers in coming weeks.

International Business Machines Corp., early in January, staged the largest closed-circuit TV network sales meeting to date. It was a coast-to-coast one-hour telecast covering 157 locations in 147 cities. This is the largest number of cities ever linked in a closed-circuit telecast. It originated from San Francisco and was viewed by all IBM salesmen and customer engineers in the U.S.


Buying Intentions Can be Altered

Most of the people who are going to buy cars or electrical appliances this year would deny it—or say that they were uncertain—if you were to ask them right now. That's a projection from a five-year study just completed by Batten, Barton, Durstine and Osborne, advertising agency.

BBDO titles its study "They Say They Won't . . . But They Do," and the findings are the most conclusive evidence attesting to the power of sales and advertising activity to come down the pike in years.

The study proves—or at least indicates—that people just don't plan 12 months ahead on purchases—even big purchases. Instead, some ingredient in the advertising and sales stimuli they encounter triggers them into buying rather suddenly. These same stimuli can get them to switch brands just as quickly.

(continued on page 20)

A black and white photograph of Mr. T. M. Butler, a middle-aged man with dark hair, wearing a dark suit, white shirt, and dark tie. He is standing behind a large, light-colored electronic calculator, the Burroughs Sensimatic 1500. His hands are positioned over the machine's keyboard and control panel. The calculator features a large grid of dark keys, a smaller set of lighter keys at the bottom, and various control buttons and switches. The brand name 'Burroughs' and the model 'Sensimatic' are visible on the top left of the machine. A small label with '1500' is also present. In the background, there is a potted plant on the left and a patterned curtain on the right.

Mr. T. M. Butler, Director of Engineering, has responsibility for the co-ordination of the development of new products at Burroughs Corporation. Mr. Butler also supervised the development of the Series F Sensimatic, the Sensimatic 1500 (shown here) and the Series F603 Bank Proof Machine. At work in business, science and defense, Burroughs equipment ranges from compact adding machines to more than 100 advanced accounting and bookkeeping machines, complex electronic computers and data processing systems.

WANTED: more catalogs, but fewer catalog problems

Advises Burrough's Director of Engineering, Mr. T. M. Butler: "We have thousands of potential suppliers, but the catalogs of relatively few. As catalogs are one of our basic means for comparing and selecting products, we need and could use many more than we have.

"Ideally, our potential suppliers' catalogs should be in every Burrough's engineering office, for instant use when any of our engineers need products they could supply. Now, however, our engineers are often unable to consider the products of many likely suppliers because it is so difficult for us to file and maintain anything approaching a comprehensive catalog collection.

"Manufacturers can so easily solve this catalog problem by making their catalogs available to us in Sweet's classified, indexed, and bound Catalog Files. These convenient, trouble-free Sweet's Files are available in all our engineering offices. We value them highly as a source of useful product information."



SWEET'S CATALOG SERVICE

Division—F. W. Dodge Corporation
119 West 40th Street, New York 18
Service offices in principal cities

Sweet's helps you market—the way industry wants to buy

The study concentrated on cars and appliances because it was felt that these were two categories where impulse buying was a negligible factor. Here's what BBDO found:

Three-fourths of all electric appliances and four-fifths of all automobiles are bought by those who, at the beginning of the year, had no intention of, or were uncertain about, buying.

Half to three-fifths of those who intended to buy a certain brand of appliance and about one-third of those who intended to buy a specific make of automobile bought a different brand or make.

Here's what happened to the people who were asked about their plans for the purchase of electrical appliances:

- 16% intended to buy; 69% of these bought, accounting for 23% of appliance sales.
- 48% were uncertain; 49% of these bought, accounting for 49% of appliance sales.
- 36% did not intend to buy; 35% of these bought, accounting for 28% of appliance sales.

Of those questioned about auto buying plans:

- 6% intended to buy; 63% of these bought, accounting for 21% of automobile sales.
- 17% were uncertain; 32% of these bought, accounting for 31% of automobile sales.
- 77% did not intend to buy; 11% of these bought, accounting for 48% of automobile sales.

While a large percentage of those intending to buy did buy, more than 75% of auto and appliance sales were made to people who, at the beginning of the year, had no intention of buying or were uncertain.

Those who said they intended to buy a car or appliance were asked what brand or make. For appliances, more than half switched brands in

making the actual purchase. Autos fared better. Only a little more than a third bought a different make than originally considered. But, that third is more than enough to spell a good or a bad year for any of the auto makers.

Color Tastes Shifting

A strong shift in color preferences took place among consumers during the last half of 1958. There seems to be a return to stronger colors, with certain lively blues, rusty corals and sandy beiges gaining popularity. The trend is now away from light pastels and off-whites. This news is from the California Ink Co. which issues a Color-trend Report based on actual sales of colorants through 12,000 retail paint outlets.

INTERESTING, IF NOT SIGNIFICANT

The U.S. now has more **radio and TV sets** than people. A count by the Federal Communications Commission shows 150 million radios and 50 million TV receivers... The **most talkative** telephone area in the world in 1957 was Alaska, with an average of 581 conversations per person. The next most talkative area was Hawaii, followed by Canada, Sweden, the United States and Iceland... Some 33% of **business trips** are taken in July, August and September... Each year, about one family in 20 buys a house; about one in 50 buys a **new house**... Women spend \$11 million a year on **eye makeup**. Half of all U.S. women use mascara and eyebrow pencils; 20% use eye shadow; 5% to 10% use eye liners... 47% of men **took their wife along** the last time they bought a suit...

... The current Pocket Books edition of Dr. Spock's famous book on baby and child care carries 24 pages of paid advertising... Sunken treasure maps, offered by United States Treasure Maps of Litchfield, Conn. (\$10), show the location of 217 sunken ships off the northeastern coast and 175 locations in the Caribbean and the Gulf of Mexico... A new non-shrinking "cellulosic" fiber has been developed for use in wash-and-wear clothing. Makers are seeking a name to distinguish it from rayon.



*"I suppose there's quite a story behind all this."**

**Yes, there is... a story over 100,000 pages long.*

That's the number of advertising pages The New Yorker has published since its founding in 1925. In 1958, The New Yorker was privileged to publish more pages of advertising than any other consumer magazine. Why? Responsiveness. The New Yorker's readers pay heed to quality advertising.

THE NEW YORKER

Business Offices: New York, Chicago, San Francisco, Los Angeles, Atlanta, London

FEBRUARY 20, 1959

21

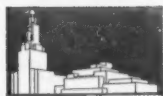


Cherchez those femmes and where will you find them? In Delaware Valley, U.S.A., the gals with money in their hands and buying on their minds live in the suburbs for the most part. And *The Inquirer* hits 'em right where they live!

On an average weekday in booming suburban Delaware Valley, 330,000 adult women shop *The Inquirer* pages . . . only 262,000 turn to Philadelphia's other major daily. And remember—these suburbanites are 58% of the market's total population . . . buy 60% of its food . . . account for 57% of its retail sales.

Lead from strength: schedule your advertising in the newspaper that reaches 632,000 total adult women in the market (of whom 420,000 don't read the other major daily). Most significantly, schedule the newspaper that delivers the major impact where the most business is done . . . the booming Delaware Valley suburbs!

For all the facts, all the figures, send for the extract of "Philadelphia Newspaper Analysis" by Sindlinger & Company, Inc.



The Philadelphia Inquirer

Good Mornings begin with The INQUIRER for 1,352,000 adult daily readers

NEW YORK
ROBERT T. DEVLIN, JR.
342 Madison Ave.
Murray Hill 2-5838

CHICAGO
EDWARD J. LYNCH
20 N. Wacker Drive
Andover 3-6270

DETROIT
RICHARD I. KRUG
Penobscot Bldg.
Woodward 5-7260

SAN FRANCISCO
FITZPATRICK ASSOCIATES
155 Montgomery St.
Garfield 1-7946

LOS ANGELES
FITZPATRICK ASSOCIATES
3460 Wilshire Boulevard
Dunkirk 5-3557

They're making
BLUE CHIP
investments in
Bay City, Michigan!



*Nearly half a billion dollars are being
invested in the growth of the Bay City area*

Look at the stacks of blue chips laid on the line for industrial and commercial expansion in Bay City:

Consumers Power is developing a \$150 million electric generating plant and a \$2 million service center. Dow Chemical is constructing a series of plants for more than \$25 million, and now has the first St. Lawrence Seaway facility in Bay City. DeFoe Shipbuilding has a \$68 million Navy destroyer contract. \$6 million is being spent on bay and river channels. A \$50 million network of superhighways is being built in Bay County. The

central business district is being anchored by new, impressive stores (with private off-street parking) and modernized buildings estimated to run \$4.3 million plus municipal off-street parking costing \$.36 million.

The Bay City market is solid, prosperous and growing. Worth a blue-chip advertising program.

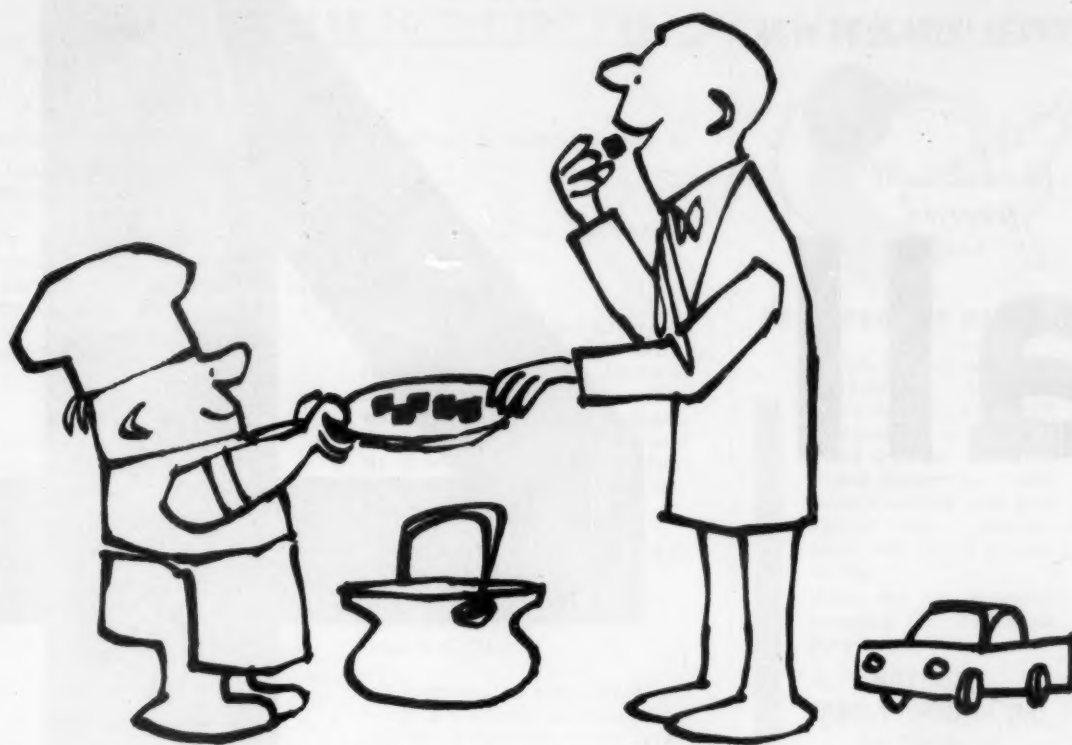
Your advertising covers the market through a single medium, The Bay City Times. It takes your message into 85% of the families in Bay County. Put The Bay City Times to work for you.



THE BAY CITY TIMES

NATIONAL REPRESENTATIVES: A. H. Koch, 260 Madison Ave., New York 16, MUrray Hill 5-2476 • Sheldon B. Newman, 435 N. Michigan Ave., Chicago 11, SUperior 7-4680 • Brice McQuillin, 785 Market St., San Francisco 3, SUtter 1-3401 • William Shurtliff, 1612 Ford Bldg., Detroit 26, WOodward 1-0972.

A Booth Michigan Newspaper



ONCE UPON A TIME there was a man who prided himself on making the best fudge in the state. And one night a friend of his, who was a very smart automobile salesman, came over to play pinochle. When he sampled the fudge, he told his host that it was positively the finest candy he had ever tasted, and he advised his friend to wrap each piece in gold foil, to package it in a silver box with green stripes, and sell it by mail. In a few months there were more orders than candy, so his friend advised him to set up a small plant, and start distributing the candy through department stores and supermarkets as well as by mail. Before long the business was so big that a new plant had to be built, and the candy maker hired a sales manager away from another big candy manufacturer to run the business. When someone asked him why he didn't offer the job to his friend who had helped him so much, the candy maker replied, "Who, *Bill*? Why he doesn't know anything about candy. He sells cars."

MORAL: *There are no hard people or soft people. The same people who buy cars buy candy—and the same people who buy steel buy soft drinks. Which is why the smart advertiser doesn't judge an agency on the kind of products its clients produce, but on the kind of advertising it produces for its clients.*

CAMPBELL-EWALD
Advertising Well Directed

Detroit • New York • Chicago • Los Angeles • Hollywood • San Francisco • Washington • Denver • Atlanta • Dallas • Kansas City • Cincinnati

all

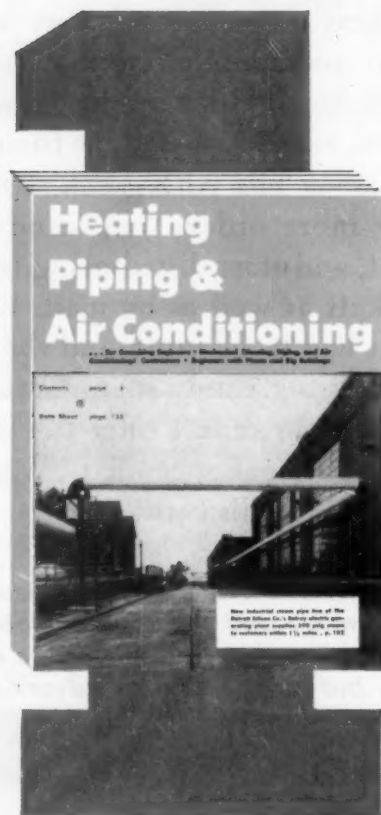
with



HEATING, PIPING & AIR CONDITIONING carries you through to *all* those who count.

It's edited for, 100% paid for, and read by the engineers *and* contractors who identifiably do heating, piping and air conditioning work . . . the ones who specify *and* buy. Here is *pure* circulation, a responsible circulation, a circulation that stems from no other source but a *marketable* editorial product.

Don't settle for less. Choose HP&AC — well worth your advertising dollar because it has proved well worth the reader's dollar. Contact us. KEENEY PUBLISHING COMPANY, 6 North Michigan, Chicago 2.



SALES MANAGEMENT

Marketing in Moscow

Your merchants-eye view of Moscow [Marketing in Moscow, p. 36] in the January 16 issue of Sales Management was most interesting.

Have read all sorts of reports on trips to Russia lately, but to a salesman your approach had more meaning than the others.

R. R. Herrmann, Jr.

Vice President
National Distillers Products Co.
New York, N. Y.

Some of my experience parallels yours and part of it differed. By a little chicanery I was able to get into some Russian homes. . .

John W. Hubbell

Vice President
Simmons Co.
New York, N. Y.

I enjoyed greatly the Moscow piece. Although you remind us readers that the Muscovite judges his consumer products on those he bought two or three years ago, I found in your article no change from the city of 10 years ago.

What has changed is the accessibility of the Russians, officials and "average" man.

I am curious about one thing: Was the timing of your talk with Kuzmin such that it could have influenced Mikoyan's decision to make the American trip? I'm not kidding when I suggest that such is possible.

Walter Cronkite

CBS News
New York, N. Y.

► News commentator Cronkite was United Press Moscow correspondent in 1947.

One thing your article did for me was to create a sincere desire to make a trip there myself.

F. E. Troy

Vice President, Marketing
General Time Corp.
New York, N. Y.

. . . certainly your story of your

experiences is most interesting to me . . .

M. J. Hoover

Administrative Vice President
Sun Chemical Corp.
New York, N. Y.

We are thrilled that Greenfield Tap & Die should occur to you to cite as an example of an American manufacturer in your discussions with the Russians, as it indicates the impression made on you—and we hope our trade—by our advertising program over the past several years.

W. J. Eberlein

Vice President
Greenfield Tap & Die
Greenfield, Mass.

I have read it with intense interest. It is a lively and stimulating account of your stay in the Soviet Union and I could not agree with you more.

Hubert H. Humphrey

United States Senate
Washington, D. C.

I am sorry to tell you that the pencil [an Eberhard Faber pencil from Foreign Trade Minister Kuzmin's table] which you used was not an American-made product. I have just had a chance to run this down and find that this item was made in our German Factory in Newmarkt/Oberpf.

John D. Horne

Vice President
Eberhard Faber Pencil Co.
Crestwood, Wilkes-Barre, Pa.

We would appreciate receiving several copies so that my son, who expects to go to Russia this summer with a representative group of thirty people from Wisconsin, including three students from the University of Wisconsin, of which he is one, can use the informative article.

Rollin D. Thompson

Sales Manager
Brick, Inc.
Milwaukee, Wisc.

NEW RESEARCH SERVICE



designed for economy!

Validity and economy are yours with NFO's Multicard quarterly survey of 20,000 representative families. Used by the nation's largest companies, it produces marketing facts at a nominal cost . . . approximately half that of random mailing.

Write for our brochure, including distribution of sample and prices.

**NATIONAL
FAMILY OPINION, INC.**
Post Office Box 315
TOLEDO 1, OHIO

COVERS

**CUSTOM DESIGNED &
MANUFACTURED •**



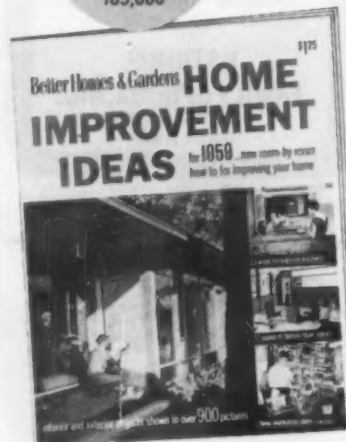
FOR

CATALOGS
SALES MANUALS
SAMPLE BOOKS
RING BINDERS
SERVICE MANUALS
WALLPAPER BOOKS
PRESENTATIONS

THE S. K. SMITH CO.
2857 N. WESTERN AVE., CHICAGO 18
NEW YORK 17 CLEVELAND 13
LOS ANGELES 46



Closes:
June 13, 1959
On Sale:
August 19, 1959
Rate Base:
165,000



Newest of the BH&G Idea Annuals—an ideal place to advertise any product of interest to people planning improvements to their homes.

Closes:
July 15, 1959
On Sale:
Sept. 16, 1959
Rate Base:
450,000



This popular annual gives advertisers an opportunity to talk to people who are definitely planning to buy new home furnishings.

Closes:
Aug. 15, 1959
On Sale:
Oct. 16, 1959
Rate Base:
550,000



If you sell anything people can buy for gifts, for decoration or for holiday cooking, you're sure to reach enthusiastic shoppers here.

When people read
Better Homes and Gardens
Idea Annuals they're ready
to listen...and to buy!

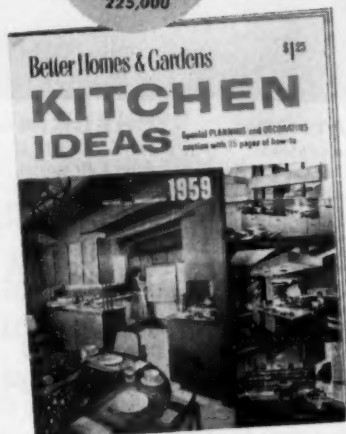
Why are the men and women who read these specialized books such unusually good sales prospects?

When homemakers pore over Better Homes and Gardens Idea Annuals they're actively concerned with a particular area of home interest. They're ready to get busy—eager to listen to editorials or advertisements that say, "Here's what to do and how to do it." That's the kind of buying climate Better Homes and Gardens knows so well how to create. The kind of climate in which it pays to advertise!

6 good ways to

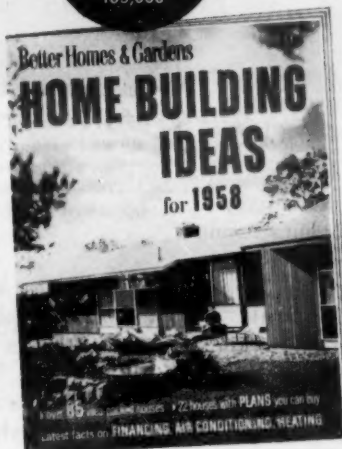
CATCH 'EM WHEN THEY'RE READY TO BUY!

Closes:
Oct. 15, 1959
On Sale:
Dec. 18, 1959
Rate Base:
225,000



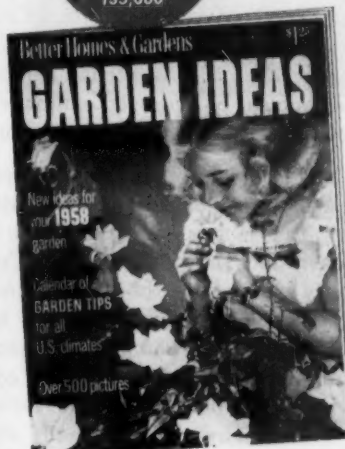
Reaches your "hottest" prospects — if your product is one that's needed to build, remodel or refurnish a modern kitchen.

Closes:
Nov. 14, 1959
On Sale:
Jan. 20, 1960
Rate Base:
165,000



In this one-volume guide to home building, advertisers reach an eager audience of people who are definitely planning to build.

Closes:
Dec. 12, 1959
On Sale:
Feb. 19, 1960
Rate Base:
135,000



A selective, authoritative medium for reaching and selling prospects for products ranging all the way from garden tools to suntan lotion.



"To put your idea into action you must take it to people who have the money and the desire to react. You must reach them in an atmosphere alive with interest and enthusiasm. Our business, our reputation have been built solely upon the ability to design this sort of atmosphere."

MEREDITH OF DES MOINES

... America's biggest publisher of ideas for
today's living and tomorrow's plans

FEBRUARY 20, 1959

Who cares what happens to METALS?

This trio of metals engineers, for example, at The Cleveland Pneumatic Tool Co., manufacturers of precision aircraft landing gear and a pioneering firm in a recent significant breakthrough on the problem of hydrogen embrittlement during electroplating operations on ultra-high strength steel.

Their responsibilities are determined by the raw materials of manufacture—steel, aluminum, and other metals—and the effects of manufacturing operations on these materials. Control of product quality begins with the supplier and extends through machining, grinding, welding, heat treating, plating, finishing and inspection. Moreover, the problems can be extremely complex. In the electroplating phase alone, the technique of cadmium plating actually affects the physical properties of the steel itself. And because of this phenomenon, it was necessary to develop new and fully instrumented plating processes to meet the unique characteristics of the ultra-high strength steels from which landing gears are made.



INVESTIGATING

a de-carburization problem on a Tukon Hardness Tester. (Wilson Mechanical Instrument Div., American Chain & Cable)



CHECKING

the thickness of cadmium plating on a structural component by means of a Dermatron Non-Destructive Coating Thickness Tester. (Unit Process Assemblies, Inc.)

These men are experts—and yet they are students, or rather scholars. Daily they must seek new information to keep technically informed and effective. They are a part of a larger group of 30,000 metals engineers across the nation whose job it is to care what happens to metals and whose periodic text of information is METAL PROGRESS magazine.

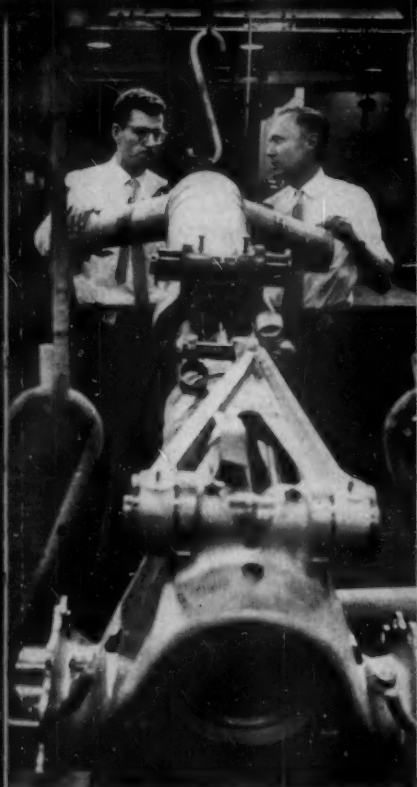
They learn from it...depend on it...contribute to it, because METAL PROGRESS meets their needs as the only publication, edited exclusively for them, concentrating solely on the engineering aspects of metals.

Examination of tensile test samples taken directly from production forgings brings together, L/R: D. J. Cash, Process Engineer; G. N. Barrett, Jr., Chief Metallurgist; H. F. Jordan, Jr., Chief of Processing and Documents.

Their job functions take them into separate yet co-ordinated responsibilities... Cash handles processing research, writes job process specifications and trouble-shoots for process improvement... Barrett supervises the metallurgical control of materials... Jordan oversees plant-wide engineering processing, including materials specifications.

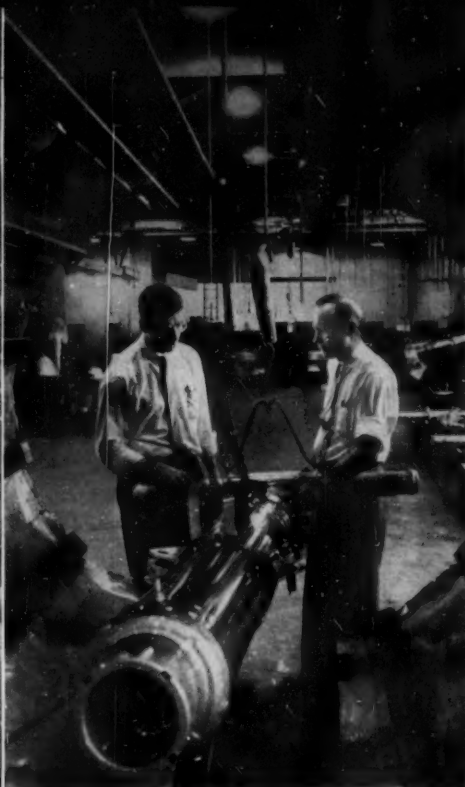


Marjorie R. Hyslop
Managing Editor



DISCUSSING

the advisability of changing specifications for the type of cadmium plating employed.



OBSERVING

finish quality for conformance to specifications after flash-drying in an infra-red chamber.



EXAMINING

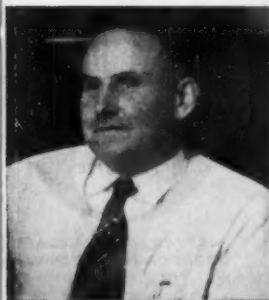
two different types of anodizing from the standpoint of design desirability.

*Engineers who care
what happens to metals
read...*

Metal Progress

*Published by The American Society for Metals
7301 Euclid Avenue • Cleveland 3, Ohio*

Write for a METALS ENGINEERING FACTOR ANALYSIS on your products



David F. Ritchie
Assistant Editor



Carl R. Weymueller
Assistant Editor



Dr. Allen G. Gray
Editor



Ernest E. Thum
Editor-in-Chief



With an unmatched technical knowledge and six years of Eastman research, the editors of Metal Progress know what 30,000 metals engineers must read.

IN CHARLOTTE (top TV market of the Southeast)*

THE "OLD" BROOM

SWEEPS CLEAN



NSI

Nielsen credits 10 year "old" WBTV with a clean sweep of Charlotte, the Southeast's largest TV market!* WBTV wins 40 out of the top 40 programs, 441 out of 469 quarter-hour wins and an overwhelming share of audience sign-on to sign-off . . . all in the metro report. The total area figures are even more decisive in the clean sweep!

The Charlotte-WBTV market is the Southeast's largest with 632,070 homes compared to second-place Atlanta's 579,090.* Decidedly, your first big step in Southeastern television market selection is WBTV-Charlotte. Contact CBS Television Spot Sales for the full "clean sweep" story.

P.S. We "suspect" a comparison of other rating services will confirm Nielsen!

*—NCS #3 Total TV Homes



JEFFERSON STANDARD
BROADCASTING COMPANY

SALES MANAGEMENT

After \$193 million losses, over 45 months . . .

Studebaker with *LARK* Starts Up Again

Harold Churchill, Studebaker's president, sells workers and Wall Street, dealers and motorists with his solid belief: "There'll always be a Studebaker." The Lark probably is the "one last chance" for the company, famous for buggies long before autos.

By LAWRENCE M. HUGHES

NO BUSINESS, with employees and dealers, stockholders and creditors to feed, ever had lost so much for so long . . . and survived.

The smaller part of a double miracle now being wrought at South Bend, Ind., and 2,500 dealer locations across the map, is that Studebaker-Packard Corp. has survived.

The more significant part is that Studebaker's desperate, long-shot, one-last-chance gamble has begun to hit a modest jackpot.

Citizens for Studebaker, Inc., at luncheon meeting at Hotel Oliver that day, had something to cheer about. The bellman who toted my bags to Room 415 proudly announced that Studebaker sales were "181% ahead" of a year ago. At the plant next day two executives drew me to a window. Across the way stood a big sign:

"The New Spirit of South Bend:
The Lark by Studebaker."

The sign was not paid for by Studebaker-Packard.

Even a weekend that had brought nearly two feet of snow and ice could not chill the faith of a community in its 107-year-old company and its newest product, and in the guiding force of both, a quiet, gray-haired, 54-year-old engineer-turned-president named Harold Everett Churchill.

The Lark by then was four months old, after three years' a-borning.

This "new dimension in motoring," a low-cost, smaller-wheelbase, but big-enough-for-the-family car, first rolled off the line last September 30.

The next day would mark four years of Studebaker's and Packard's merged efforts to stay alive against the Big Three.

That day ended the 45th month, the 15th consecutive quarter, in which they had been forced to report losses

—cumulative losses which by then had mounted to \$193 millions.

It ended a bad nine-months, even for Studebaker-Packard: From the parallel period of 1957 sales had dropped nearly 40% to \$92 million. Losses—which had been reduced to a modest \$12.3 million in nine months of 1957—nearly doubled to \$22.5 million.

At those rates 1958 would have



LONG SHOT: Studebaker's Churchill proudly presents the Lark, as the "new spirit of South Bend" and Studebaker.

LARK

(continued)



DETROIT'S RIVAL: As a Lark flies, South Bend is 150 miles from Motordom's capital. But it's stirring up the Big Three. Here Studebaker's current entry casts a shadow on downtown Detroit.

ended nearly \$30 million in the red, on a mere \$123 million sales.

But then the tide turned.

The Lark caught on so fast that in three months sales equaled those of the previous three quarters. Instead of \$123 million, Churchill could report 1958 volume of \$180.7 million. And instead of a full-year loss of \$30 million, the deficit (after a \$5 million tax credit adjustment) was reduced to \$13.5 million.

Monthly, since October 1 the company has operated in the black.

The year's sales did not reach the \$216 million of 1957. They were less than two-thirds the \$303 million of 1956; only two-fifths of the \$482 million of 1955, the first full year of the merger.

Studebaker-Packard in 1958 in fact sold less than one-third of the \$594 million of Studebaker alone in 1953.

But the trend at last was strongly and steadily upward.

And Studebaker's trend shows up even more sharply against the industry.

America's motor makers as a group will have to sell lively to expand combined volume from 4.3 million in 1958 to hoped-for 5.5 million this year. At this writing Automotive News reports their 1959 production barely 10% ahead. Chrysler Corp. declined about 9%, with only Dodge division moving upward. Modest expansion of all divisions pushed Ford Motor Co. ahead 9%. General Motors rose less than 2%. But three divisions dipped, and only Cadillac and Pontiac gained.

American Motors, with Rambler, more than doubled, from 12,511 to 26,483 units in a three-week period.

And Studebaker nearly sextupled, from 2,010 to 11,970.

With an industry volume of 529,238 cars and trucks in this period, neither of these last two is likely to stampede the Big Three. But as American Motors set out to show a year back, and as Studebaker is now showing, neither can yet be counted out.

Their own "compact" cars—added to the 380,000 imports sold here last year—are causing the Moguls of Motordom serious concern.

A year ago Studebaker, for example, stood 16th among 17 domestic makes—outselling only Ford's Thun-

derbird. Since then Studebaker has climbed to 10th—ahead of Chrysler, DeSoto, Dodge, Imperial, Edsel, Thunderbird and Lincoln, and only a shade behind Mercury and Cadillac.

If there be a genius in motor-making, he's the guy who can guess what folks will buy three years hence. He must guess what competitors may offer and how the economy and public "psychology" may swing.

Starting with the first Champion, Studebaker has made smaller, lower-cost cars for two decades. At peak it sold 300,000 of them. Some of them



HAROLD CHURCHILL did not take over the helm "merely to delay the time" when Studebaker would have to yield to "larger, wealthier competitors."



A. J. PORTA, executive vp, handling finance, had to swim through a record Red Sea to find working capital for Studebaker's one-last-chance gamble.

were pretty enough to win awards in polls of industrial designers.

To me the Lark is less attractive than the Raymond Loewy-designed 1953 Champion and Commander. I liked the 1950 Kaiser, too. The Lark was designed by Duncan McRae, who moved from Kaiser-Frazer to become Studebaker's styling director.

Churchill (and McRae and the rest) seem to have foreseen some trends. But even these take some rationalizing.

The Lark was launched at a time of up-expanding economy. . . . But American Motors and the small imports made their best gains last year when the going was rough.

There's a trend toward lower-cost and "easier" personal transportation. On the average trip a car conveys to the job or the supermarket statistically less than two persons. . . . But Cadillac continues to thrive, and Chevrolet (having last year achieved greatest "market penetration" in a quarter-century) again has "graded-up" products, prices and overall length.

Even in these inflated times, however, a big barrier is \$2,000. As the Big Three's erstwhile "low-priced three" moved over it, America's Little Two and a host of imports, led by Volkswagen, moved in. Their market is both people of modest means and better-to-do families who want a second car. In addition, they are making a dent among families who

can afford a bigger car but who have decided not to keep up with the Joneses.

Harold Churchill mentions the trends toward suburban living and multiple-car ownership. But he adds: "The automobile has lost its impact as a badge of social distinction. People buy cars nowadays to use them!"

Whatever the "trends" and the Lark's ability to meet them, no product catches fire by spontaneous combustion. It must be ignited. It must be "built up." It must be promoted—and sold.

After years of bad news about Studebaker-Packard, the Lark had first to be resold.

And after years of shifting "policies" and expedients, of managers and mismanagers, someone had to take the outfit and put it together again, and then put it on the track and give it both management and market direction.

Then, someone had to convince all concerned—workers and suppliers, banks and investors, motor car dealers and their hoped-for customers—that Studebaker-Packard not only was a going concern, but was going some place sensibly and profitably.

From South Bend across the map of this country and other countries of the free world where Studebaker's Lark and Hawk and commercial vehicles are sold, someone had to rebuild morale and recreate faith.

Before that someone, himself, had

to have, not only faith, but the strength to see it realized.

Harold Churchill is a solid man. Associates call him "our Rock of Gibraltar." He is a forward-looking man. (In our interview he chided me for digging up the bones of the past. He would keep them permanently interred, and forget them.)

And his executives compared him with another Churchill (no relation) who in the midst of a blitzkrieg told the world that "there'll always be an England."

This Churchill has never doubted that there'll always be a Studebaker.

The wagon business started by four brothers Studebaker in 1852 lasted, on its own, for 101 years. Studebaker Corp. had hardly put away the props of a centennial extravaganza, when the ending of the Korean war and of a dozen years of more or less "pent-up demand," introduced an era of hard sell in automobiles.

► From an earlier depression Studebaker had been rescued by super-salesman Paul G. Hoffman and manufacturer Harold S. Vance. In their last annual report, for 1953, for Studebaker as a separate company, these two were concerned with "a softening of retail demand." The Big Three were "forcing overproduction on dealers." This "demoralized the retail market."

(When I saw Vance at South Bend at that time he was sure that "the government will not let General Motors put Studebaker out of business." Now Vance is a member of the Atomic Energy Commission.)

Though the 1953 sales of \$595 million were a record, net income of \$2.7 million was only one-tenth of what it had been, on \$473 million sales, in 1949.

On October 1, 1954, when Packard Motor Car Co. took over Studebaker's assets and business, Hoffman remained board chairman. Vance stayed on for a while as executive committee chairman. Packard's James J. Nance (who had won a sales-whiz reputation with Zenith and Hotpoint) became president of Studebaker-Packard. From Detroit headquarters Nance strode forth to take on the Big Three on all fronts, and in all price ranges.

For 1954 (Packard for a full year and Studebaker for three months) Hoffman and Vance told stockholders of plans to become "a full-line producer of passenger cars for the four major price classes," plus a line of commercial vehicles. Among advantages of the merger they men-

(continued on page 112)



SALES VP SYDNEY A. SKILLMAN signs 100 new dealers a month for Lark. Many of them are drawn from Big Three. Lark sales currently are soaring 181%.



DESIGNER DUNCAN McRAE planned Lark on strength of the marketing concept: The handwriting was on the fins, and "we built shapes that would last."



Inland: The Wise Guys of Steel

Inland Steel Co. has two new landmarks—shining headquarters (the first new skyscraper to be built in 20 years in Chicago's Loop) and a just-elected president, John F. Smith, Jr. Smith is another example of the astute planning that has made Inland the eighth-ranking steel company and famous for bucking, then coming out ahead of the trend in every recession since the 20's. For the company chooses its men with the care a gaucho selects his pony. John Smith,

as a case in point, rose—in 29 years—from lowly clerk to the top of the pot. No college degree gave him impetus. He started in the mill at Inland's East Chicago, Ind. plant. Soon, however, he talked his way into the sales career which has been uninterrupted until now when he moves into the presidential office. By 1940 he was manager of the Order Division, one of the most flexible and fast-moving order processing units in the industry. (Smith maintains that this

Division is one of the reasons why Inland's Sales Department has the reputation for unusual sensitivity to customer needs.) In 1948 he became general manager of sales and four years later he was elected vp in charge of sales. One of his sales managers said of him: "He's the kind of guy you do your best for without urging. You wouldn't want to let him down." Smith's an outdoor man; loves bowling, golf and fishing. "There's plenty of everything here," he says.

SALES MANAGEMENT

How to Do Business with Russia

You may soon be meeting a stocky, pleasant Russian gentleman named Nicolai Smeliakov. For he's the new president of Amtorg Trading Corp., New York, the official USSR bureau for handling trade between the U.S. and Russia. No matter what you've heard, some important Washington sources, close to the situation, maintain that trade restrictions between us and this other great world power will be loosened—soon. Which, if true, will bring you to Mr. Smeliakov. He doesn't speak English, yet. "But I am studying; I know it is a handicap not to speak the language," he says. But like Mikoyan—whom he accompanied on his recent U.S. tour—an excellent interpreter sits in on interviews and translates. Smeliakov, who looks like the average American's idea of the average Russian, is short, seemingly bursting with health. He likes Americans; "so friendly," he says. He was here once before, in 1957, when

as USSR Minister of Machinery he came to study some of our factories. An engineer by training, he's optimistic about increased trade between us and Russia, says many American businessmen with whom he talked on the Mikoyan tour wanted more trade but felt that red tape made it difficult [See page 7, A Poor Product, a Tough Sale]. In the meantime Nicolai Smeliakov is boning up on his English, hoping that he'll be here long enough to know the country and the people better. Amtorg is moving to fancy Eastside quarters.

Note: The New York Times specialist on the Soviet Union reveals Smeliakov has been Minister of General Machinery Construction, head of the Gorky Economic Council (a large industrial area), and then first secretary of the Communist party in Gorky province. He is the highest ranking Communist to head Amtorg in many years.



Lemons and the Selling Tie

At the recent Newspaper Advertising Executives Association convention, in Chicago, George Lemons—six foot four—was observed wearing an unusual tie. It had writing on it and the writing said, "The Total Selling Medium is the Daily Newspaper." The tie had nothing to do with his subsequent election as NAEA's president for the coming year. It was, however, indicative of his theory—he's ad director of the Greensboro (N. C.) Daily News and Record—that you've got to sell 24 hours a day. He's been in newspaper advertising 32 years and despite his soft, Tar Heel accent, began it with the Cincinnati *Times-Star*. He moved to the Greensboro papers in '28. Says Lemons, "The problem of our economy today is sales. It isn't production. Daily newspapers can help keep factories on full production by helping them move the goods through advertising." Like most good newspaper advertising men, Lemons is active in his community's projects. He's a director of the North Carolina Merchants Association, a past president of the Piedmont Sales Executives and of the Greensboro Holiday Jubilee.



Population Explosion in 1960? How Big?

Some marketers are counting on a rocketing population increase in the next decade to make an "automatic" market for them. They are likely to be disappointed. Population will grow in the '60's, but at a rate only slightly better than in the 1950's.

By W. S. GASKILL

Marketing Research Director
Proebsting, August & Harpham, Inc.

WILL THERE be a population explosion beginning in 1960, increasing markets to such an extent that the "Golden Sixties" will be an era of unprecedented prosperity? Some people think so, but an analysis of the most recent projection of the Bureau of Census, published late last year, indicates that the population of the United States will increase 21.1% between 1960-1970, little more than the increase of 19.4% between 1950-1960. It is not likely that you will be able to rest on your selling oars in a flood of prosperity. Furthermore, certain factors relating to age composition can cause trouble in a variety of markets.

It is possible that the population of the United States will nearly double from the present 175 million, reaching 300 million or even 360 million in the year 2000 . . . and that could be termed a "population explosion." Of more immediate importance is the amount of population increase that can be expected from 1960 to 1970. And still more important is the increase by age groups during this period.

Expect Population Increase of 38 Million

The Census Bureau now foresees a maximum population of 219 million in 1970 compared with 181 million in 1960, numerically the largest increase in population over a 10-year span in the history of the United States.

However, the increase in the important age group, 25 to 64 years of age, will be only 7.2 million (9%). This group, of course, contains the important breadwinners as well as the bread buyers. The population under 25 years of age will increase by 27.3 million (33%) and the number over 65 by 3.8 million (24%).

Although the recently revised Census estimate adds 10 million persons to the previous estimate, equivalent to a state about the size of Pennsylvania, it leaves us relatively worse off by age brackets than the prior estimate—because it added to the previous estimate 6.6 million persons under 20, 700,000 over 65 and less than 900,000 in the working-buying group of 25 to 64 years.

What It Will Mean to You

Just what this population increase will mean to you in the 1960's depends, primarily, on your type of business. The food industry should grow fairly constantly during the 1960's, consistent with the increase in the population, although the majority of the increase will be comprised of youngsters and oldsters. The clothing industry should grow faster than it did in the 1950-1960 decade with emphasis on the youthful population, under 25 years of age. Appliance manufacturers and house builders will find that an increasing number of their buyers are young adults between 20 and 34. School and institutional building will need

to keep pace with the population growth.

Other Census Estimates

The population of the United States increased from 76 million in 1900 to 151 million in 1950. In addition to the projection of a maximum of 219 million in 1970, three other Census estimates, based on varying degrees of "fertility," place the 1970 population at 214 million, 208 million and 202 million.

The highest estimate indicates an increase of 38 million from 1960 to 1970; the others indicate an increase of 33 million, 27 million and 21 million. The increase in population from 1930 to 1940 was only 8.9 million, and from 1940 to 1950 it was 19.3 million. It is expected that the increase from 1950 to 1960 will be 30 million.

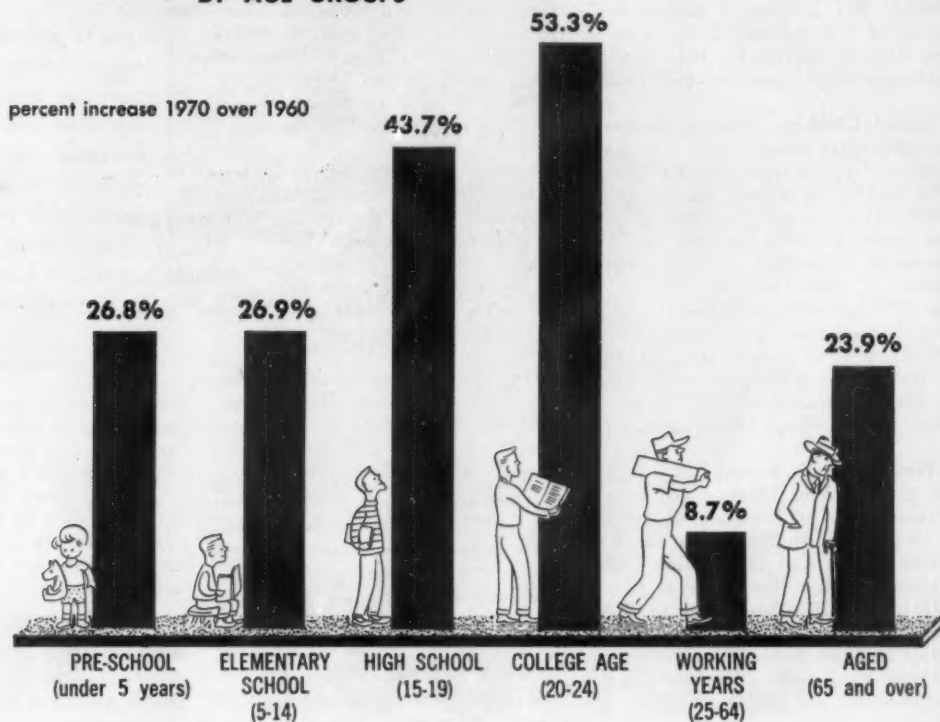
Census estimates for 1970 are firm for the population 15 years old and older. A continuation of the present favorable mortality rate—a huge increase in average length of life occurred during the first half of the century—is expected. In 1900, the life expectancy of white males at birth was 46.6 years; it has increased to 67.3 years in 1956. The life expectancy of white females at birth was 48.7 years compared with 73.7 years in 1956.

Population Increase by Age Groups

Peering into the Census crystal ball we see the following increase in pop-

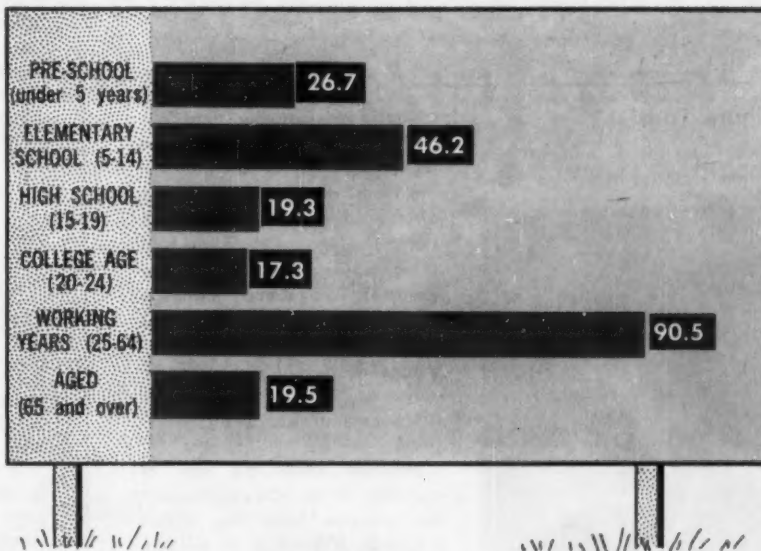
SALES MANAGEMENT

Increase in Population BY AGE GROUPS



THE POPULATION PICTURE IN 1970

in millions



Source: U. S. Department of Commerce

ulation by age groups, based on maximum projections:

Toddlers: The 1950 Census counted 16.3 million youngsters under 5 years; it should count 21 million in 1960, an increase of 4.7 million (29%). In 1970 it is expected that they will number 26.7 million, a further increase of 5.6 million (27%). Continued good markets for baby food, rompers and play pens are indicated.

School Children: The increase in the elementary school group, 5 to 14 years, will not be quite as great from 1960 to 1970 as it was from 1950 to 1960. There were 24.4 million in this group in 1950, expected to increase by 12 million (49%) to 36.4 million in 1960 and by 9.8 million (27%) to 46.2 million in 1970. Requirements for new elementary schools will be almost as great as in the period 1950-1960, and the market for candy bars and the successor to hula hoops should increase.

Teen-agers: It is estimated that this group, 15 to 19 years old, will increase from 10.7 million in 1950 to 13.4 million in 1960, a rise of 2.7 million (25%); that the number will increase by 5.9 million (44%) to 19.3 million in 1970. This points to the pressing need for additional high school facilities during the next decade and good markets for blue jeans and rock and roll records.

The College Group: This group, 20 to 24 years old, is not exactly con-

sistent with college ages. However, a large proportion of its members will be enrolled in college during the decade, or will join the Armed Services. It is expected to increase by 6.0 million (53%) from 1960 to 1970, the largest percentage increase of any group. There were 11.6 million in this group in 1950, expected to decrease to 11.3 million in 1960, and to increase to 17.3 million in 1970. Colleges, now reporting record enrollments, will need to be greatly expanded to accommodate increasing millions of students.

A large proportion of this group, however, will marry and establish new households during the decade, without benefit of college. They will probably represent a major part of the market for houses, automobiles, appliances, furniture and other durable consumer goods.

The Working-Buying Group: This group, from 25 to 64 years of age, numbered 76.3 million in 1950, and is expected to increase by 6.9 million (9%) to 83.2 million in 1960, and to 90.5 million in 1970, an increase of over 7 million (9%). The largest part of the labor force is drawn from this group, which represents the largest source of buying power. Industrial expansion may be somewhat limited by the relatively small expansion of the labor force in this age bracket. This force will be supplemented, however, by the portion of the large number in the 20-24 age group who will not be attending college.

Figure Fancier

Those who supply national economic statistics have no more



William S. Gaskill

appreciative customer than William S. Gaskill, who delights in digesting, charting and analyzing them. He is market research director of Proebsting, August & Harpham, Inc., Chicago advertising agency, has had similar positions with Bryant Manufacturing Co., Division of Carrier Corp., and with American Builder magazine. He has served on the Advisory Council of the Bureau of Labor Statistics.

Concerned about the rash of optimism on the "Golden Sixties," he presents here the rather sobering projections of population of the Bureau of the Census. He believes, nevertheless, that there is gold in "them thar years."

COMING SOON

Good Value

from Market Research

In 18 months, Sun Chemical's new marketing research department has been responsible for new plant sites, new products, a distributor "do-it-yourself research kit." Research findings are translated to newsletters telling salesmen what customers, competitors are doing.

Sales Management

Home building and sales of automobiles and other consumer goods could also be adversely affected by the rather small percentage increase in the age group 25-64, but this, too, may be offset by the fact that large numbers of the 20-24 age group will be in the market for homes, automobiles and consumer durables.

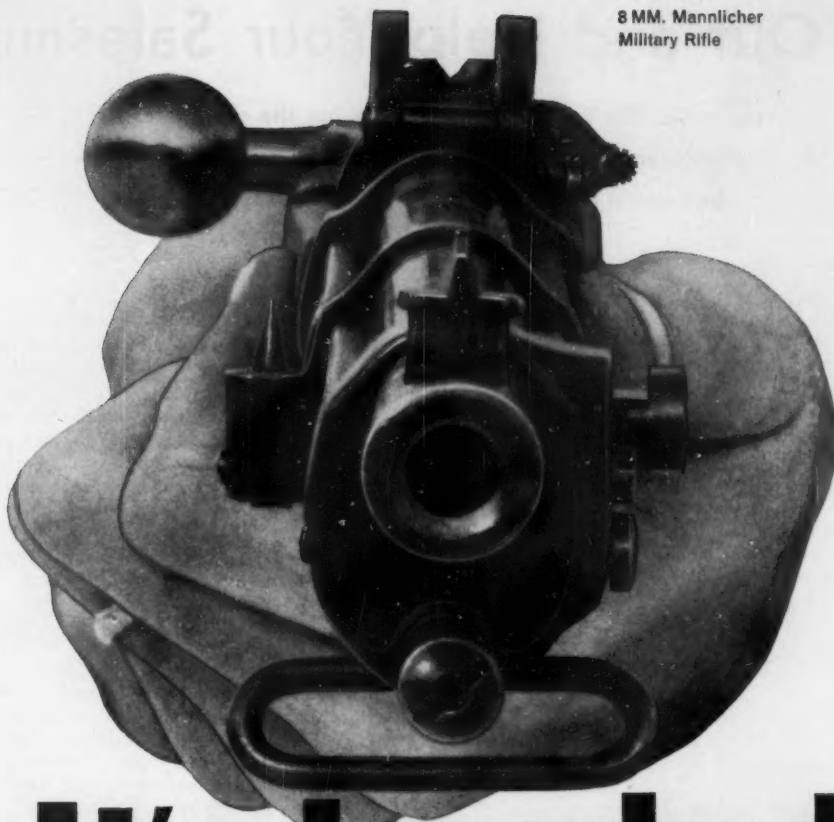
The Golden Years: The Census counted 12.3 million persons in the age group 65 years old and over in 1950 and expects to count 15.8 million in 1960, an increase of 3.5 million (28%). It is estimated that in 1970 the oldsters will number 19.5 million, an increase of 3.8 million over 1960 (24%). Females will continue to predominate in this age category. Presently, about 45% of males 65 and over are employed. Pension funds assure that this group will be able to enjoy a higher standard of living than ever before.

Not A Sensational Increase

In general, there is assurance in the prospect that the population of the United States will increase from 1960-1970 by the largest amount of any 10-year period in the past. A large part of the increase will be comprised of young adults, whose purchase of consumer goods will be limited only by their pay checks.

It won't be a sensational increase in the population. Sales won't come easy. In the 1950's markets have been stimulated by shortages due to depression and war. More than usual attention must be given to marketing and advertising in the 1960's to achieve success in the highly competitive markets that have developed in the 1950's. ♦

8 MM. Mannlicher
Military Rifle



It's Loaded

with buying power...

THE INDIANAPOLIS AREA*

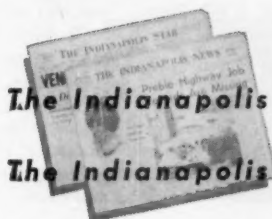
Zero in on one of America's top markets! Big? 2,000,000 people who *buy* more because they *have* more. Rich? Average annual income per family is a whopping \$6,882—20% ahead of the national figure, 9th among cities of more than 600,000.† Retail sales? \$4,615 average and 6th among cities of over 600,000.† And how to get a bull's eye is easy... The Star and The News have 58.4% coverage! Write us today for complete market data.

† Sales Management Survey of Buying Power, 1958

*THE 45-COUNTY TRADING AREA
THAT'S BIGGER THAN YOU THINK!



Population:	2,117,100
Income:	\$3,740,248,000
Retail Sales:	\$2,472,792,000
Coverage:	58.4% By The Star and The News



STAR Morning & Sunday
NEWS Evening

KELLY-SMITH COMPANY • NATIONAL REPRESENTATIVES

FEBRUARY 20, 1959

41

Get Out and Help Your Salesmen!

You can excite your salesmen by selling the client brass.

You can excite your salesmen by making their pie bigger

... and you'll find prospects appreciate your sales calls.

By GEORGE F. HOOVER

"When I was a salesman, I worked for a lot of sales managers. Some of them never sold a thing while I worked under them. It seems to me that too many managers get bogged down with administrative 'red tape' to the exclusion of active selling. I've found that salesmen like managers who help them make a buck."

Edwin T. Jameson, Director of NBC-TV Spot Sales leaves his Radio City New York headquarters often to help his 28 salesmen make a commission buck. They still have to fight for it, but he makes it his job to create a bigger buck for them to fight for.

In the past six months, Ed Jameson and Morton Gaffin, NBC Spot's Director, New Business and Promotion, have spent over 140 days on the road and traveled more than 20,000 miles selling their medium.

"Sure we get in pitches for our 12 stations," says Jameson, "but we're concentrating on selling advertisers the concept of spot as a basic medium. [He prefers the term "market by market TV," but habitually uses the phrase "spot."] "After that, it's up to our salesmen to sell our stations," and to enable NBC to enjoy a share of the market.

► For the most part, Jameson's salesmen call on ad agencies. But he and Mort Gaffin sell at the top-to-the client. You could call it title-to-title selling. (Jameson believes there are three reasons why executives will see him and Gaffin: "We're NBC, we've got stations. But most important, we too have titles.")

"Magazines and newspapers have been going to the client for years," says Jameson, sitting shirtsleeved on the edge of his desk in New York's RCA Building. "The networks have done it. But spot hasn't done it on this broad a scale."

The NBC presentations are made to advertising executives of prospective clients. In some cases sales executives also sit in, but it's not usual.

Mort Gaffin: "When we first started this program we were a little naive. But it didn't last. We were amazed to find that many of these men didn't know anything about our medium."

Ed Jameson: "You'd think it incon-

ceivable that they wouldn't know about newspapers or magazines. But they don't know enough about us. We make them start to think. And that's all we hope to do, so that when they next start to plan advertising they think of and consider TV spot."

► When they began this program, Jameson and Gaffin broke down advertisers into classifications: drugs, groceries, automobiles, soft goods, miscellanea. Then they selected prospects which were doing little or no spot advertising. They've just completed a concentrated campaign to the travel industry in which they contacted every major domestic and foreign carrier. Next classification: insurance.

It's to these companies that the title-to-title selling effort is primarily directed.

First, Jameson and Gaffin make a general spot presentation, tailored to the particular company's industry. After that, a "special pitch" directed to the company.

Although the bulk of contracts and schedules began to come in only after the first of the year, Jameson and Gaffin are pleased with these sales results ("And our figures are conservative," says Jameson.):

\$1,023,000 in billings to stations represented by NBC Spot Sales (from five clients).

\$1,370,000 (estimated) going to competitive stations in NBC Spot Sales markets or to stations in other markets.

\$3,400,000 in TV spot schedules which NBC Spot Sales has proposed and which are under consideration by advertisers.

\$5,530,000 in proposals by clients now in preparation by NBC Spot.

Total of business already contracted for, or business under consideration: \$11,323,000.

(Gaffin says that total NBC Spot Sales for the same period are four to five times the \$1 million plus of new NBC Spot business quoted above. Last year, while total medium revenue rose 12%, NBC Spot was up 16.9%. This year looks "a hell of a sight better.")

But Jameson emphasizes that in

this program, he and Gaffin aren't specifically selling NBC Spot Sales stations. That's still the salesman's job. "We're trying to educate these men and sell them on our medium. Once we do sell them on this concept of spot TV flexibility as a basic medium, we're confident that we've got the salesmen, the stations and the markets to pull in our share of the money being invested."

"Frequently an ad man will ask us to make specific suggestions or submit a possible schedule. And of course when we do, NBC Spot gets a lot of the business."

"If he says to us, 'You're pretty good to yourself, aren't you,' we answer, 'Well, wouldn't you be?' But we also suggest schedules for non-NBC Spot Stations and markets. When we do that, the ad man knows we're really interested in his business. And we've created our best sales asset: believability."

► How do the NBC Spot salesmen react to their boss getting out to sell?

"Our salesmen must necessarily concentrate primarily on the agency level," Jameson explains. "Again, their job is to try and get the largest share of the money already committed to spot by the client. Each salesman does go with us for at least one client call. So the men are part of this effort."

"But we have a policy that each of the top 50 agencies must be called on in person at least once a day. That means we've got to keep out of the salesman's day-to-day job and spare him this time as best we can."

"It's turned out that instead of having the salesmen work for us, we're working for them."

"We get specific requests from them to schedule presentations to companies in their territories. But we always contact the client direct. And the agency is always notified of the call, by either us or the salesman."

"I don't think there's a sales manager around who isn't looking for a sales idea or presentation that will excite his salesmen. That's what we've come up with—a basic explanation of our medium that interests new advertisers and excites our salesmen." ♦



Neat Feat

It would take 1,000 salesmen, making 10 calls each per day, more than 11 years to make as many face-to-face contacts as you get from *one* ad page in *one* issue of the Post. Alfred Politz' study of Ad Page Exposure proves: 29 million times each issue, someone turns to *your ad page* in the Post!

A CURTIS MAGAZINE



Thieves in White Collars

Internal thefts—most of them by "honest, trusted" employees—cost \$1 billion a year. Are your salesmen falsifying orders, giving or taking bribes, stealing parts? Here are the steps to take.

By NORMAN JASPAN
President
Investigations Inc.

THE SALES MANAGER of a major sporting goods maker scratched his skull in puzzlement. While sales in all other districts were soaring, those in the factory area were sagging.

Investigation revealed that salesmen, in collusion with key factory executives, rigged production records to remove thousands of units monthly from the plant. They relabeled the stolen goods and sold them to dealers in the area. Cost to the company: over \$150,000 in two years.

Elsewhere, salesmen nearly bankrupted a marketer by converting a 69c import item into a counterfeit of its \$6.95 product.

One industrial salesman doubled his yearly earnings by postdating or predating orders as the market price changed.

On a lesser scale, salaried salesmen peddle their own products on their bosses' travel expenses and collaborate with customers by taking back competitors' merchandise for refund.

► Marketers are experiencing the most shocking wave of continual internal dishonesty they have ever known. The bill for white collar crookedness is \$1 billion a year. Hidden dishonesty, not reflected in the books, costs even more. And the figure does not include the cost of honest errors, "goofing off" or sabotage.

Our management engineering firm, through Investigations Inc., its fact-finding subsidiary, uncovered \$60 million losses through internal dishonesty last year.

With all their safeguards and precautions, an average of one out of five banks in this country has experienced an embezzlement during the past five years. Marketers are more prey to cheating because they have no such safeguards.

We have found that bribery is at an all-time high. Kickbacks are being given in cash payments, as so-called loans, as an interest in the business, in the form of gift certificates, theater tickets or other items of substantial value. Purchasing agents and their families are even put on the payroll in some cases.

One purchasing agent earning \$14,000 plus a bonus acknowledged getting five to seven percent kickbacks from most of his sources. In his signed confession he admitted receiv-

Why Men Cheat . . .

One soft goods salesman selling direct to the trade falsified orders to meet a quota.

One area manager, seeing the sales manager wink broadly while he marked down prices on "damaged" goods for employees, began to compete in the give-away to gain favor with his men.

One industrial sales manager's secretary nearly ruined the company by acknowledging an order to the customer and not turning it in because she disliked her new boss.

One package goods salesman was taken off the road for several months and could not take advantage of the lush expense account which had become a part of his normal living. To maintain the standard of life he had acquired he found it necessary to steal and felt justified doing so.

Clearly, in these court cases, dis-

honesty was a by-product of faulty management.

Managers foster dishonesty—and wonder why their men steal. They put pressures on them with high-powered contests or impossible quotas—and cannot understand why they falsify records. The level of morale around them is below sea level—and they cannot see the reason for a grudge.

But sometimes it's the salesman's fault.

Because of a need for prestige, one man gave carloads of the company's products to charity in exchange for an annual testimonial dinner. Another salesman lost the company key accounts by giving a company headed by his brother-in-law first crack at deals. Some men have personal weaknesses—such as Rum, Racing or Redheads—that customers exploit.

. . . And the Cure

★ Sell your men on the corporate concept. Explain that dishonesty affects them.

★ Make it easy for your men to see you on their problems. If you don't they may take it out on the firm.

★ Make it plain that you will not tolerate dishonesty—with customers or with the boss. Set the same standards for branch executives and salesmen.

★ Establish a system of checks independent of the accounting dept.

★ Regularly review standards of performance for employees to assure that they are reasonable and pressures do not cause cheating.

★ Find out why men cheated before taking action.

★ Don't be afraid to rock the boat—skillfully.

VITALITY



is a fact of **LIFE**

Vitality seems to care little about age.

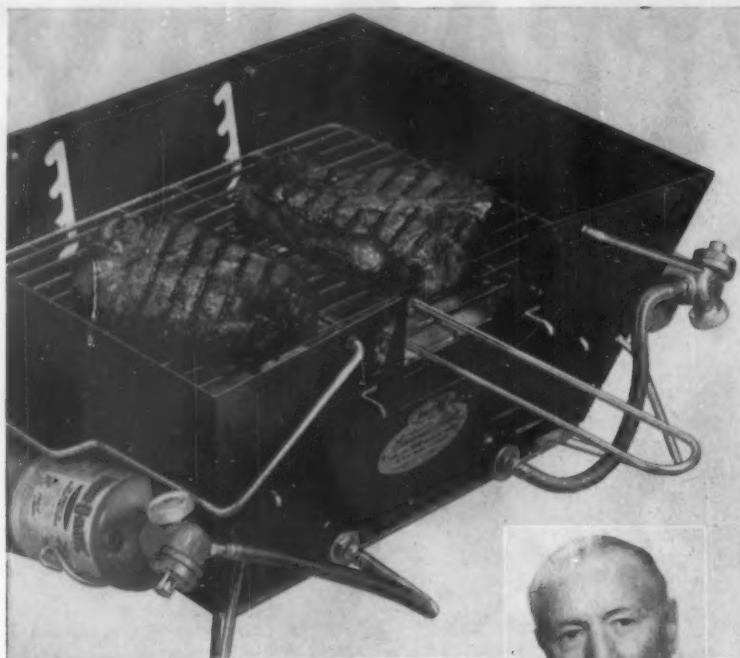
Young or old, you have seen the vital ones. They are quick and deft with their thoughts. They may be old; their ideas are never old hat. The contemporary is their world, and they are busily shaping what will soon be the new.

Who would wonder that these people who prize vitality praise LIFE. They like LIFE. LIFE has their spirit. For them, LIFE is vigorous, swift, in-

cisive, provocative. To the vital, LIFE has vitality.

Vitality is a fact of LIFE. Just one. Maybe the surest way to sum it up is to say that for more than 32 million alert readers, LIFE is everything that's *new* and *now* and in the *present*.

That's why your advertising will perform well in the pages of LIFE. To find out more about it, why not call your LIFE representative today? He has all the facts of LIFE.



"I've never enjoyed anything more than my new Bernz-O-Matic® Ceramic Grille"

says William M. Goss, President of Scovill Mfg. Co., Waterbury, Conn.



to goss President

"It's amazing! Four minutes after I light it my family and I are enjoying better than 'charcoal flavored' steaks made without charcoal!"

The new Bernz-O-Matic Ceramic Grille gives you better than charcoal flavored steaks without charcoal. No waiting for charcoal to burn down. No mess or fuss. Just light a match and in four minutes you can have the most delicious "charcoal flavored" steak you've ever tasted.

It's wonderful for grilling steaks, hots and hamburgers—even chicken.

The juices dripping on the ceramic block burn back and sear better than charcoal flavor "deep into the meat."

The Bernz-O-Matic Ceramic Grille is portable. It runs on propane gas in disposable cylinders. You can take it anywhere. Best of all, use it indoors as well as outdoors to have better than charcoal flavored foods all year 'round.

EXCITING NEW BERNZ-O-MATIC CERAMIC GRILLES

ARE IDEAL FOR:

- ★ EXECUTIVE GIFTS ★ STAMP PLAN CATALOGS
- ★ PREMIUM OFFERS ★ CONTEST PRIZES

Bernz-O-Matic Ceramic Grilles are available in 3 distinctive models. For complete information plus special prices for quantity orders, simply fill in the coupon and mail, or write, wire or call collect—Specialty Products Division.

SPECIALTY PRODUCTS DIVISION

Otto Bernz Company
Driving Park at Ramona • Rochester 13, New York

Gentlemen:

Please send me full information and quantity prices on the Bernz-O-Matic Ceramic Grilles.

Name

Title

Company

Address

City Zone State

OTTO BERNZ COMPANY, INC. • ROCHESTER, N. Y.

ing over \$10,000 from kickbacks every year.

Are you being cheated now?

Maybe not; the millions are still honest.

► But how close are you to your warehouse, for example. Are men receiving and marking properly? Do exit procedures prevent theft? Do servicemen use your parts for free-lance jobs? Are damaged goods shipped as first grade—or vice versa?

Losses from cheating with rejects and scrap have reached enormous levels, but they are tolerated because they are so commonplace.

Marketing managers are often not aware of these vast losses. Cheating does not appear as a deficit on the budget; the cost is absorbed by the total marketing effort. Doctored books therefore show a profit the company never made—on which it carries a tax burden.

Men at all levels have learned too well how to avoid doing work, to beat the controls to prevent them from cheating, and to pass the buck to avoid responsibility. There are thieves at all levels in marketing departments. Here is a case from court records.

A warehouseman, tortured by his conscience about his petty thefts, blurted out the details of his cheating to his manager. The executive closed the office door for privacy and said calmly, "I'm not going to turn you in. Forget this conversation and go back to your work. The matter is closed. I can't afford a scandal. You see, I've been embezzling myself for years. We're in this thing together."

How can the marketing manager protect himself and his company from cheating?

One company filed 400 claims with bonding and fidelity companies last year. Others ignore thefts on the theory that rocking the boat will cost more than what they save. Still others see no thefts because they do not look for them. All are wrong.

Sales managers make their first error when they wait for symptoms to appear before checking for dishonesty.

Don't assume there is no dishonesty in your department. Most thefts are made by old, trusted employees; 99% of men caught stealing were honest before coming to the company.

Dishonesty, then, is a barometer of management problems in your department. If your men cheat, it means you failed.

How do marketers fail?

Their biggest blunder is in not making it understood that cheating will not be tolerated. Marketers think the double standard will work in

SALES MANAGEMENT



Watchdog for Business

This fall, J. B. Lippincott Co. will publish Norman Jaspan's book, "The Thief in the White Collar."

Jaspan is the 44-year-old president of the management engineering firm, Norman Jaspan Associates Inc. and its fact-finding division, Investigations Inc.

He speaks plainly about the need for non-accounting checks—but stresses that his work is not that of a "private dick." Half the parent company's accounts consult Investigations Inc. periodically and, though dishonesty is not suspected, it is uncovered in two cases out of three.

Last year Investigations Inc. uncovered \$60 million in losses, only 20% of them due to honest errors.

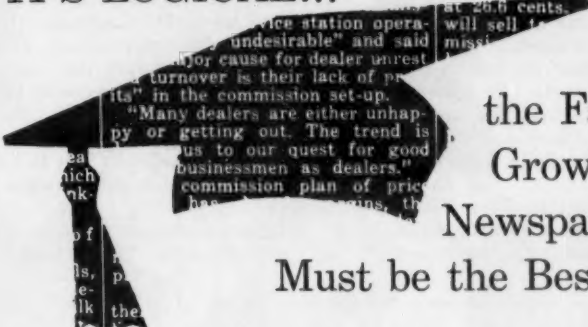
business. It won't. When you allow your men to bribe customers you imply it's perfectly all right to cheat the boss.

Remember that a salesman's loyalty is divided between his customers and you. Unless you sell him on the corporate concept by explaining that shortages will also hurt him, when it comes time to choose between his boss and the man who gives him the order, you will come out second.

Make this policy known in writing. Insist that all men, regardless of their status in the company, be subject to the same standards. You can prevent much malicious damage by making it easy for your men to air their personal grievances with you. Spend more time on preventive measures than on corrective action.

Going further, when you have made

IT'S LOGICAL...



the Fastest
Growing
Newspapers
Must be the Best!

The *Morning Courier-Express* and the *Sunday Courier-Express* are Buffalo's fastest growing newspapers from both a circulation and advertising lineage standpoint.

CIRCULATION GROWTH can't fail to mean newspapers that people like to read regularly.

LINAGE GROWTH indicates that users are finding that advertising pays better in the *Courier-Express*.

FOR ECONOMY—for more advertising for your dollar concentrated on those

with more dollars to spend—use the *Morning Courier-Express* to reach 45.9% of the families in ABC Buffalo—and more than 1/3 of these in the 8-County Western New York Market.

FOR SATURATION use the *Sunday Courier-Express*, the state's largest newspaper outside of Manhattan, to blanket the 482,108 families in Buffalo and the surrounding 8 Counties.

ROP COLOR available both daily and Sunday.

Member: Metro Sunday Comics and Sunday Magazine Networks

Buffalo Courier-Express

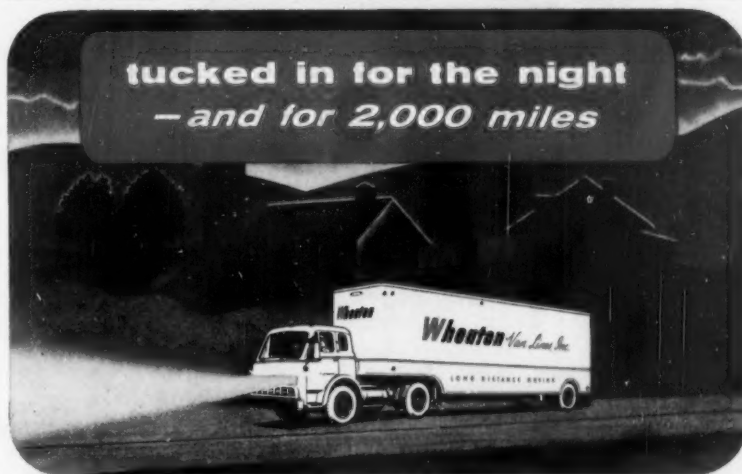
Western New York's Only Morning and Sunday Newspaper

Representatives:

Scolaro, Meeker & Scott

Pacific Coast:

Doyle & Hawley



Household goods carefully packed, "tucked in" with heavy quilted pads and safely and swiftly transported for many, many miles... an extremely important factor in establishing your new home or for personnel transfers. Special care is also given to office equipment, displays and exhibits—crated or uncrated. Next time call a Wheaton Agent.



COAST TO COAST LONG DISTANCE MOVING

In the West, call

LYON

OVER 500
AGENTS IN ALL
PRINCIPAL CITIES

General Offices: Indianapolis, Indiana

it plain that you will not stand for cheaters, you should also let your salesmen know they are being checked. Few men resent this. If you have sold them on the corporate concept, they will expect checks.

"Created errors" are one good way to check for cheats. An easy, inexpensive way to check for large-scale dishonesty is to keep an eye on men who seem to be living beyond their means.

Make your security force a staff of trained men, not a dumping ground for personnel waiting to retire.

Few marketing executives can depend only upon accounting sources to prevent cheating. Accounting reports can be regarded as red flags but they are highly dangerous if not supplemented by other sources. There are many ways during the year to make adjustments to reconcile discrepancies between physical checks and book records. You can't expect the men who may cheat you to handle the controls that are supposed to protect you.

Automation in order processing is no guarantee either. The contraptions

that figure your sales and markets are popularly called "thinking machines"—but can they cope with a thief who wishes to out-think them?

Many marketing executives are lulled into a false sense of security with mechanical checks. Remember this: It's easier to trick a machine than to trick the boss.

A builder complained to the sales manager of a lumber company that a recent car load shipment was short. The manager found his men inserted a pencil into a counting meter to inflate their incentive earnings. The loss to the company was \$175,000 in three years. A meat packer's shipper foiled a closed circuit television apparatus that showed the weighing of the meat. They injected water into the machine before weighing.

► You cannot trust reference checks as a preventive for hiring a dishonest salesman. The professional thief can easily get a false social security number, change his name and give your personnel department references that will stand up against the closest scrutiny.

(Don't concern yourself too much with the professional thief, however. He plays only a small part in internal crime.)

When you find dishonesty—as you may in even the most carefully regulated marketing department—find out why it happened before taking steps to prevent its recurrence.

You may have heard of a rudimentary test for determining whether a man is insane. The man being tested is led into a room where water running from a faucet overflows onto the floor. He is asked to mop it up. The sane man goes first to the source of the problem, turning off the faucet. The other begins immediately to bail out.

Marketers, too, often fight skirmishes instead of directing a main offensive at the source of the trouble.

Remember, though, that the shortest distance between two points is not always a straight line. You might strike out at the first person associated with what went wrong, and fail in your attempt to clean up. I have seen the same system thrown out and replaced several times by companies because of impulsive action. Regional managers, sales managers and even marketing vice presidents have been separated from their jobs without affecting to the slightest degree the conditions that caused dishonesty. Go to the source of your trouble.

Do not act impulsively—but act. Managers afraid to rock the boat are eventually thrown overboard. ♦

WORCESTER'S Billion Dollar Market (E. B. I.) is

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4 COLOR PROCESS
NOW AVAILABLE
DAILY AND SUNDAY

Tell and Sell
with full color at its best—on the pages
of the Telegram-Gazette reaching
91.9%* of Massachusetts'
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DAILY 162,449
SUNDAY 105,300

Member of ABC Audit Dec. 31, 1957

with
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You Can't Cover Massachusetts without The Worcester Telegram-Gazette

**The Worcester
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BECAUSE . . . Chicago has outgrown the power of any single daily newspaper to even half of your city and suburban prospects.

two daily newspapers to reach a majority of the MOST net unduplicated coverage, one of your two Chicago SUN-TIMES!



CHICAGO
SUN-TIMES

**Where extra
women are a
dime a dozen**



Every dollar
spent for
advertising in
Parade brings you
a hundred more
women readers
than a dollar
spent in any of
the leading
women's service
magazines. (*P.S. You
get them Sunday,
too, when they're
easier to sell.*)

Parade

The Sunday Magazine section
of more than 60 fine newspapers
covering some 3000 markets ...
with more than 17 million
readers every week.



... LIKE CALIFORNIA *WITHOUT* THE BILLION-DOLLAR VALLEY OF THE BEES

- ✓ Actually, total effective buying income of more than \$2.9 billion
- ✓ More effective buying income than Maine, Vermont and New Hampshire
- ✓ Not covered by San Francisco and Los Angeles newspapers

Newspapers from the salty ocean borders just don't get home to the folks in California's lush inland valley. Your printed message gets home to them most effectively in the three Bees. That's where your message belongs.

Data source: Sales Management's 1958 Copyrighted Survey

McCLATCHY NEWSPAPERS

National Representatives . . . O'Mara & Ormsbee

- THE SACRAMENTO BEE
- THE MODESTO BEE
- THE FRESNO BEE



McClatchy gives national advertisers three types of discounts . . . bulk, frequency and a combined bulk-frequency. Check O'Mara & Ormsbee for details.



Solve the case of the hidden facts with **SURVEY SERVICE**

Let Western Union's Survey Service with trained personnel in 1671 offices get you today's facts for your marketing decisions. Just supply your questions, sample to be surveyed, tell us where and when. Survey Service gathers the information for your evaluation on anything from circulation verification to consumer buying habits . . . regionally or nationally. It's fast! Complete! Economical!

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UNION**
*Special Services
Division*

What Really Moves a Big-Ticket Item?

Norm Owen sells outboard motors for Scott. He cut his merchandising teeth on band instruments, TV and hi-fi. Now he is promoting one of the new status symbols—boating—and like the auto and real estate people he dramatizes pride, prestige, Togetherness.

By GEORGE F. HOOVER

IF A GUY named Norm Owen has his way "Togetherness"® will permanently sprout high-fashion water wings.

Norman C. Owen is vice president of the Marine Products Division of McCulloch Corp. in Minneapolis, Minn. His job is selling Scott outboard motors. To him, it's selling "big-ticket merchandise." And the trend to faster, larger, more expensive motor and boat combinations in the \$2.1 billion industry bears him out.

Norm Owen believes that his industry still has a "tremendous opportunity for future growth," but realizes "we're facing a new set of selling problems. We're not only competing within the marine business for the customer's dollar, but also competing with the big-ticket merchandisers outside our industry."

"And if you were to ask me to point out our competition today, I'd point squarely at the automobile dealer, the large-appliance people, and the real estate salesman."

Owen is a far cry from the Ivy League cut school of salesman. He's a heavy, rugged, hard sell salesman. When addressing dealers he'll pound the podium, point fingers and yell one minute, then verbally romance them the next.

He's sold trumpets, television sets and phonographs. And now he's teaching the tricks he once learned (plus a few he's borrowed from some sharp auto salesmen) to his outboard motor salesmen and boat dealers.

First of all, he's trying to get his

*Registered Trademark, McCall's Magazine.



Leaves all other outboards years behind!

Full electrical system with generator, full gear shift... the 60 hp Flying Scott!

Boaters call this the most exciting new outboard in America. Rugged as an Army tank. Compact as a watch. Lean and light enough to fit a wide range of boats—even in pairs!

With only three cylinders, the Flying Scott turns up a strong 60 hp that planes big cruises, toys, water skiers easily, sends runabouts up to

30 mph! The secret: a bold, simple new design that cranks full, cuts, vibrates, and delivers more smoothly power.

Yet this sweet city handles as easily as a new car, starts with the turn of a key. Full electrical system includes generator at no extra cost. A new offset lower unit reduces propeller torque for easier steering. New Single Lever Control (an accessory) synchronizes throttle and full instant gearshift. And Scott's built-in electric pump ends hard backing—forever!

Match your boat—and outfit it to the fast-moving '59 Scotts!

10 handsome new outboards from 1.6 to 40 hp* and an entire boat outfit let you make an attractive Scott-powered combination with any boat you wish. Hand-holding advertising, sales-building literature put that power behind you.

Scott franchises are still available in certain areas. For information, write McCulloch Corporation, Marine Products Division, Minneapolis 13, Minn. *See separate list enclosed.

McCULLOCH CORPORATION



McCulloch Corporation
Minneapolis, Minnesota

TALK to women in language that women understand!

dealers to sell the combination. "In the early days of hi-fi," says Owen, "you couldn't buy a complete unit. In those days hi-fi was marketed as a collection of components. But when they started selling it as a single-package system—a combination—they broke into the mass market."

"That's exactly what we have to do in the boating field. We have to make it easy for the consumer to get a well-balanced and correctly assembled outfit into the water."

To do this, Owen is getting his 4,000 dealers (he says 95% sell Scott exclusively) to put together the complete package (boat, outboard motor and accessories) and label it "Scott Powered." The cost for a package can easily hit \$7,000, and with two million people being introduced to boating every year he figures the boat dealer has to serve as a consultant.

It's concerning those two million people that starts Owen talking like a page from McCall's.

"In the old days we sold outboards to sportsmen who liked to fish and

who had their wives enough under control to spring the money loose for such a purpose.

"Today there's a thing called 'Togetherness' and the boating industry has provided one of the best ways for the whole family to have their fun together. So what's happened? Today the wife and kids are often the excuse for buying a boat. And sometimes they get the idea of buying a boat in the first place."

Owen is going after the woman in apron strings who controls the purse strings, both in ads and in the way he wants his dealers to sell the Scott Powered Combination. Scott advertises in outdoor, boating and popular science magazines, plus such wide-circulation publications as Life and Look. And the ads look as though they could easily fit into the format of Vogue or Harper's Bazaar.

"Previously, we devoted most of our ads to listing the advantages of our motor," says Owen. But now they're full of appeal to the high-fashion sportswoman, using models in



TROY RATED TOP MARKET

The big Troy, N. Y., market's retail sales are 17% above the state and 26% above the national average, according to Sales Management, Inc.

There's only one medium that adequately covers the above average Troy ABC City Zone which rings up \$164,218,000 worth of retail sales in a year.

That medium is THE RECORD NEWSPAPERS which provide 96.6% coverage of the City Zone of six communities. No outside newspapers or other media can even approach such a thorough job for you in the TROY City Zone.

The Troy Record
The Times Record
Troy, N.Y.



car racing, polo playing, water skiing and skin diving costumes. All Scott dealer co-op ads push boat-Scott motor combinations. The company is even promoting a \$50,000 consumer prize contest in April (budget of advertising and sales promotion is close to \$1 million; up 20% over '58).

Owen tells his dealers, "We're going to suck them in—not sucker them in—but suck them in." And to do it, he's getting them to sell the features in Scott Combinations. He looks at it this way:

"First of all, the automobile boys assume that every car is going to run well and give a good comfortable safe ride. So they sell the glamour and pride of ownership factors.

"They don't sell transportation, but

Your Dealer and Private Brands

When a manufacturer begins producing private brand merchandise, it's not unusual for a dealer to feel the company is price-cutting the hand that feeds it.

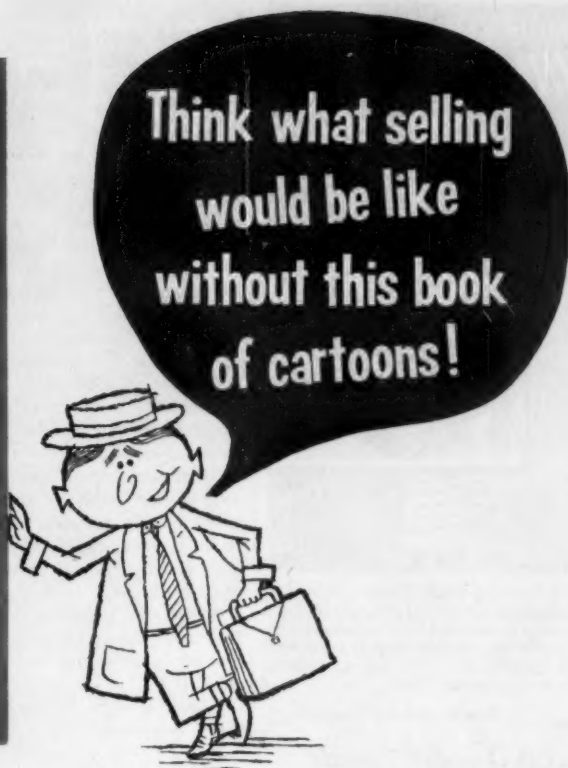
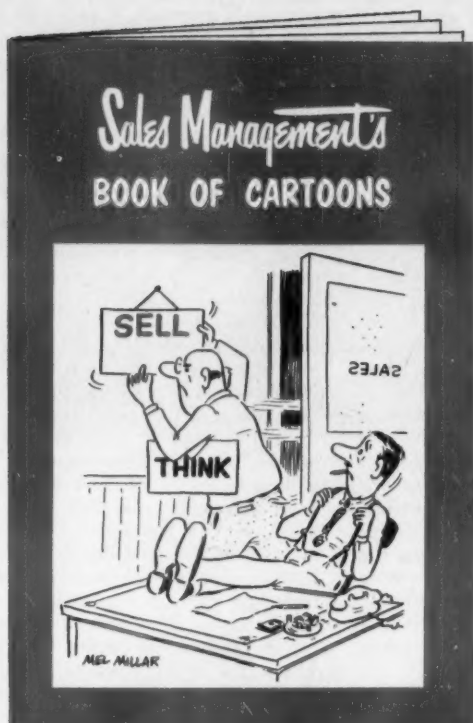
But for the manufacturer, private brands can be an important growth-step.

The Marine Products Division (Scott outboard motors) of McCulloch Corp. is going into its first year of private brand production. Norm Owen, vice president, has predicted that his division will lead its industry in five years. And he expects his private brand production to account for 40% to 50% of his total volume at that time. He says this about private brands:

"Manufacturing private brand motors will enable us to increase production efficiency. We'll be able to sell a better product at a lower price.

"The only way you can be a successful private brand manufacturer is to have a very strong brand of your own.

"Our private brand customers are selling to an entirely different market from ours. But our smart dealers know how to compete with private brands. Over 1,000 of them have already signed as service centers for the private brand retailers."



If up until now you've muddled through without Sales Management's book of sales-wise cartoons, well, all the more credit.

But with this book of shoptalk humor, Sales Management opens up heretofore uncharted areas of spoof, based upon call reports, travel allowances, sales charts and recalcitrant boards of directors.

The whole thing is done up in 118 cartoons, the most articulate form of discourse, certainly the most penetrating.

Sales Management's new book of cartoons, as thick as 20 of your annual reports (and perhaps 20 times more fun) takes you up and down the keyboard of business humor, from the tyro salesman's plight ("Now, Bentwick, about your selling—I feel you should do some!") to outer space conquests ("Think of it, Perkins—on the moon—not a single territorial conflict!").

We recommend this volume as an anti-stress antidote, for you, your wife, your salesmen, your customers.

What we're trying to say is, most of these pen-and-cap-tion caprices are funny.

If you order only one copy, you'll be sorry, because it's a collection too good to keep to yourself. In fact, the coupon sent to us, will assure you and your business associates of an afternoon off.

Sales Management
630 Third Avenue
New York 17, N. Y.

Date.....

Gentlemen:

Put us down for.....copies of Sales Management's Book of Cartoons.

Prices: \$3.50 per copy up to 11 copies
2.50 per copy 12 to 99 copies
1.50 per copy 100 or more copies

(All bills rendered company unless otherwise requested)

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Company.....

Address.....

City..... State.....

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An exciting new adventure in
INNER SPACE
at Chicago's
newest hotel



CHICAGO'S Executive House, a new ultra-modern 40-story skyscraper with drive-in garage, ideally located on the edge of the famous loop, introduces many innovations that add new dimensions to luxury hotel living. The Executive House sets new standards for America's most pampered guests.

Write for Colorful Brochure

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ADD HANDLING EASE, POLISH TO PRESENTATIONS

Pamper those whose favor you require. Present multi-page 8½" x 11" REPORTS, PROPOSALS, QUOTATIONS, SALES LITERATURE in snow white, velvet soft, friendly JIFFOLD PRESENTATION COVERS.* Wire stitches invisible. Holds important papers together and in sequence. Assures easy reading, handling, filing. Send \$2.00 for prepaid trial order of 10. Quantity prices as low as 10¢ each. Satisfaction guaranteed.

Clint LEAP, Inc.
300-2330 VICTORY PARKWAY
CINCINNATI 6, OHIO

*Pat. Pending

2761

they do sell color, the flash, the power-operated ash trays, convenient glove compartments.

"And if you think the auto boys can sell romance, how about the real estate salesmen? They know better than to sell shelter. They sell patios, fireplaces, jet-propelled kitchens, and prestige locations.

"That's how we want our dealers to sell. We want them to sell the glamour, the choice of colors [Scott has seven colors in its line], the modern styling, the turn key starting, our Bail-a-matic bailing.

"As a matter of fact, I really believe that in some ways a first class automobile or real estate pitch is closer to what is needed to crack this new big-ticket market than the traditional waterfront marine operation.

"I'm not saying that past experience in this business isn't valuable. It is! In fact, there's no substitute for it in getting repeat business from the dyed-in-the-wool boating enthusiast. But for our growing market among the non-boating public, 10 years of marine experience isn't necessarily the answer.

"And if the outboard dealer in 1959 doesn't recognize the value of automotive and big-ticket appliance-type merchandising . . . he may not be around 10 years from now. At least not in the marine business."

While Scott (purchased by privately

held McCulloch in 1956) has enjoyed a phenomenal sales increase since 1953 [see Corporate Close-up, Feb. 21, 1958], Owen says he's still got only one way to go—"up!"

Right now Scott is holding its own with Kiekhaefer's Mercury for third spot in industry sales. But Outboard Marine Corporation's Johnson and Evinrude [Corporate Close-up, Jan. 2, 1958] each sell twice as much as Scott. Owen estimates Outboard Marine has 65% of the industry business and that Scott has 15%.

But he expects that his share of the market will increase to slightly over 20% before the year is out. And while the industry sees a 10% to 15% sales increase this year, Owen looks for a 53% jump in Scott dollar sales (of McCulloch's approximately \$60 million volume, observers believe Scott accounts for slightly less than half). And in five years, Owen predicts, Scott will lead the industry.

He expects private brand manufacturing to play an important role in that increase. This year Scott enters private brands, producing the Elgin Motor for Sears Roebuck and the Wizard for Western Auto. Owen estimates that private brand manufacturing will account for less than half of the projected 53% increase.

The rest: from the Scott Powered Combination of "Togetherness" and High Fashion. ♦

A Farm Boy Hits the Water

When he describes his sales force, Norm Owen says, "They're tough and young." He likes them that way and he's obviously proud of them. At 45 years old ("damn it"), Owen himself can probably be tough if he wants to.

He calls himself "An Iowa farm boy who left the farm at 21." From 1935 until the outbreak of World War II, he traveled the Midwest selling musical instruments, then teaching his customers how to play them (one publicity release likens him to Broadway's "The Music Man" who sells instruments but can't play. Owen plays trumpet and fiddle).

He went into the Navy a Lt. j.g., came out a Lt. Commander. After a year as assistant merchandise manager at Continental Music Co., a Division of C. G. Conn Corp., he became distribution sales manager for H. & A. Selmer, Inc. The year 1948 saw him as sales promotion manager for Webcor, Inc., producer of the Webcor phonograph line. By April of 1954 he was company president. He left in the summer of 1955 as the result of what he testily calls "a major ownership change."

After three months at Zenith Radio Corp. as vice president of distribution, he was offered the job of vice president of sales at struggling CBS-Columbia, TV set manufacturers. "I managed to close that division about a year later," he jokes.

After CBS-Columbia folded, Owen donned his water wings and went to work for McCulloch as vice president, selling Scott.

He likes the water—and he likes the job.

FOTO-NOTE



THE FASTEST WAY TO REPLY
TO ROUTINE MAIL



JOT YOUR REPLY
ON THE LETTER RECEIVED...



HAVE YOUR SECRETARY RUN IT THROUGH
THE TRANSCOPY® PHOTOCOPIER
FOR A FAST AND ECONOMICAL COPY...

**Mail the copy...the original goes into your file.
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Rheumatic Heart Disease

Tommy had an attack of rheumatic fever, frequent forerunner of rheumatic heart disease. Fortunately for him, his heart was not damaged.

Rheumatic fever, usually preceded by a "strep" infection, often strikes the same victim more than once. With each attack comes a new danger of heart damage.

Tommy's parents no longer live in fear of rheumatic heart disease, however. Through research, medical science has developed new methods of controlling "strep" infection and preventing recurrences of rheumatic fever.

For more facts about prevention, see your physician or ask your Heart Association.

For more research progress against the heart diseases . . .



"WHAT'S GOOD TO CLOSE A DEAL?"

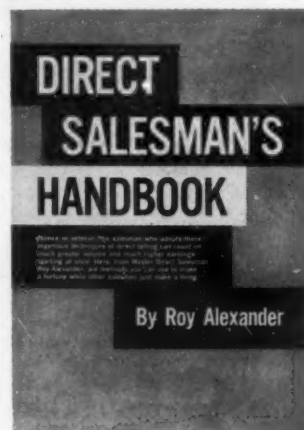
Handbook for Direct Salesmen

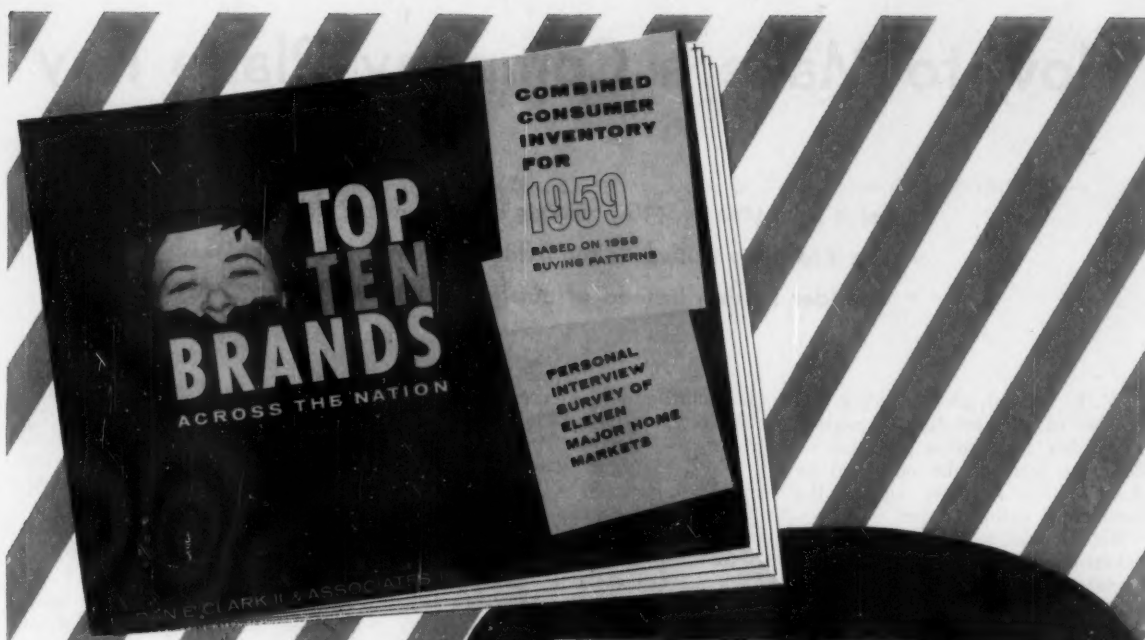
Selling direct is the granddaddy of all modern methods of product distribution. And, for some 3,000 firms, such as Electrolux, Avon, Tupperware, it is today an extremely potent force. An estimated 1,000,000 salesmen are engaged in knocking on the nation's front doors.

Roy Alexander, a master direct salesman, himself, and former editor of one of the magazines serving the direct selling field, is the author of a just-published book dealing with the brass tacks of direct selling. It's called "Direct Salesman's Handbook." (Prentice-Hall, \$4.95.)

The book is written for both the veteran and the novice in direct selling, but several chapters, such as those on time organization, over-coming objections and using sales imagination will be

of general value to all in selling. The book is designed to teach selling and salesmanship. Each chapter is capsulized at the end so that the salesman-reader can easily refer to the key points.





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This detailed "personal interview" survey shows leading brand preference in each of 80 separate product categories—food, drugs, cosmetics, appliances, etc.

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 Company
 Address
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How to Make a Company Plane Pay

- Let it take you to 5,450 airports not served by airlines
- Use it to fly executives to the field—and home more often
- Consider leasing instead of outright purchase

W. L. Snelts, vice president and director of sales for North American Van Lines, Inc., isn't a pilot, has no desire to learn to be one, and he doesn't have anything against the commercial airlines, either.

But last year, to keep in touch with his far-flung agents and field staff, he made some 60 flights, from his Ft. Wayne, Ind., headquarters in the company's Cessna 180, or Twin Beech. During a series of spring sales meetings last year, he and his men were able to hit close to a city a day. North American Van's planes are manned by two full-time pilots.

Snelts is one of a number of Sales Management Sales Leadership Panel members who feels that you just have to get there by flying if you are to make all the contacts necessary under today's competitive conditions.

J. M. Coufal, Gray Products Company's sales manager is a pilot and aviation enthusiast, flies his own Piper Tri-Pacer for the company. When a Sales Management editor caught up with him he said he was leaving his Waverly, Va., office on a trip to Tyrone, Pa.; Warren, O.; Cleveland; and Cumberland, Md.

"Look at the map and try to make that trip with a scheduled airline!" Coufal challenged. Last year Coufal logged 350 hours.

► Coufal's schedule of business places to visit by air dramatizes the fact that scheduled airlines land at only 550 out of the nation's 6,000 airports.

R. J. Litzinger, vice president, Franklin Plastics, Inc., uses his company's Helio-Courier about 50 times a year to fly from his Franklin, Pa., headquarters. When he and Franklin's president, Dixon P. Downey, go in the company plane a commercial pilot, hired by the day, is at the stick. But two Franklin Plastics' sales managers are pilots and can fly themselves.

Sales Leadership Panel member, J. Willard Miller, is Piper Aircraft's general sales manager. You would expect him to report that he flies in one of

his company's 29 Pipers, used about 250 times per year to fly 1,500,000 miles.

O. R. Slauson, new general sales manager, Ray-O-Vac Co., Madison, Wis., reports he flies 15 to 20 times a year in his firm's twin engine Aero Commander.

But Panelist Charles W. Zerweck, vice president of Slater Systems, Inc., Philadelphia, reports "We have no problem covering 30 states by use of regular plane service plus rented cars."

Sales Leadership Panel members, then, have mixed feelings about company planes.

Of 348 Panel members replying to Sales Management's query, 66 (19%) said their company owns one or more

planes, ranging from single engine fly-it-yourself craft to DC-3s.

Of those that don't, only 17% felt ownership would be profitable. Indicating that although the company plane marketers have made tremendous progress, the company plane concept must be sold to more men.

A bigger percentage, 24%, say their company might consider leasing a plane. Leasing planes, like cars and other equipment, seems to have a bright future for capital-conscious marketers.

Says Under Secretary of Commerce Louis S. Rothschild: "Business flying is the fastest-growing segment of our fastest-growing form of transportation."

Why do marketers fly?

What You Think About Executive Aircraft

Sales Management's Sales Leadership Panel members have positive ideas about the use of executive aircraft by their companies. When we asked the 1022 Panelists five key questions, 361 or 35% replied. The 361 respondents told us:

	Yes	No
"Does your company own an airplane?"	19%	81%
"If your company does not own an airplane, do you believe ownership would help your firm?"	17	83
"Would your company consider leasing an airplane?"	24	76

"If your company owns an airplane(s) what make(s) is it?"
Figures in () show number of make owned by Panel respondents.

Aero Commander	(4)	Helio-Courier	(1)
Beech	(23)	Lockheed	(5)
Boeing	(2)	Lear	(1)
Cessna	(5)	Piper	(7)
Douglas	(13)	Stinson	(1)

Interview: *Al Petcavage*

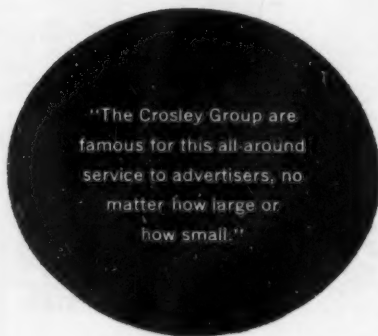
Assistant Vice President and Media Group Supervisor of Ted Bates & Company, Inc.,
tells why he selects WLW Radio and TV Stations.



"We select the WLW TV Stations and WLW Radio because of the complete cooperation which the Crosley Stations give advertisers."



"From programs to promotions, on-the-air to point-of-sale, advertising to merchandising . . . you just can't beat the WLW TV-Radio Stations for ringing up sales."

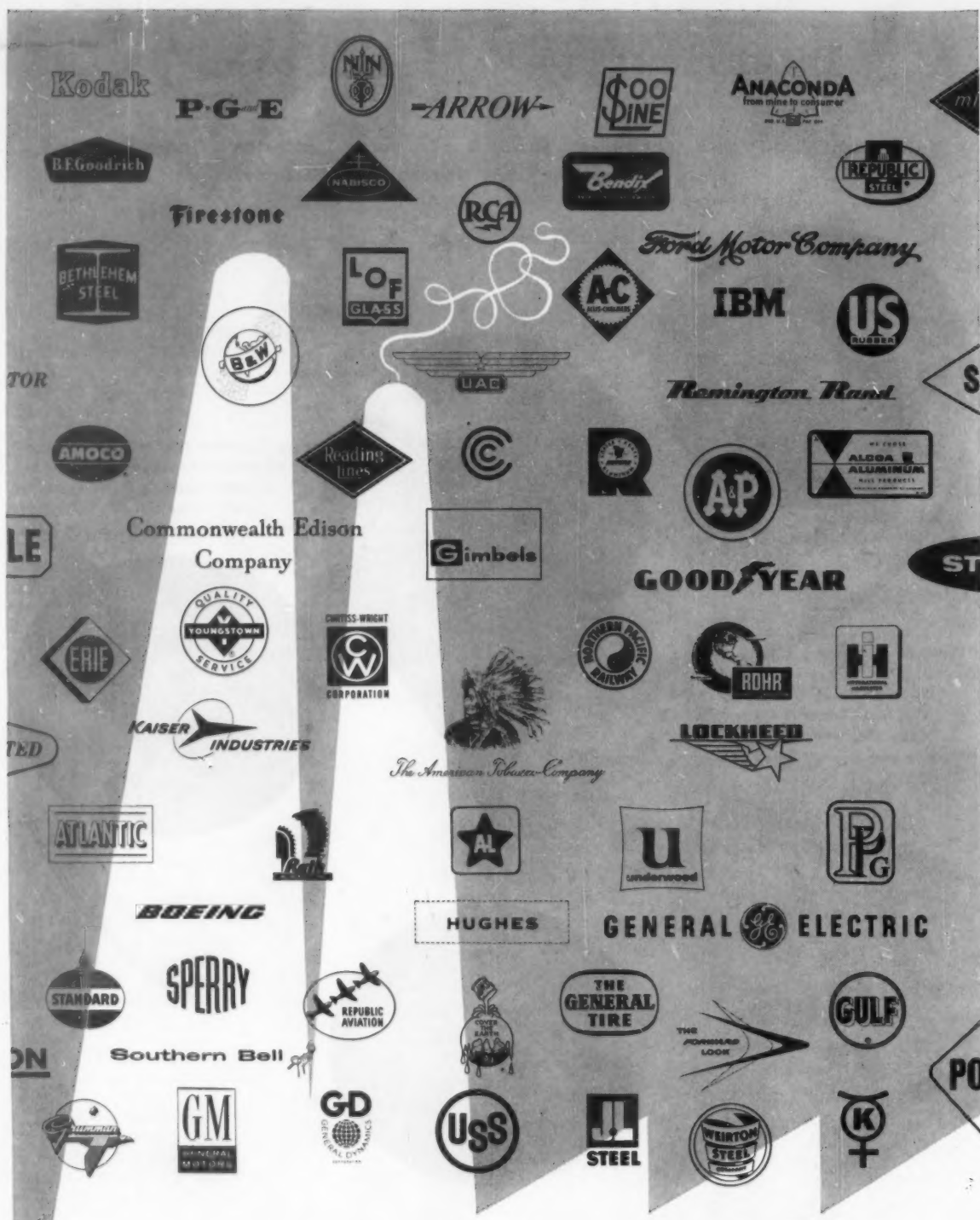


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These are but a few of the leading firms which support the Savings Bonds program with more payroll savers than ever before in peacetime.



Panel members tell Sales Management they use company planes as feeders to commercial airlines, to bring prospects to the home office, to bring top company men to top accounts.

Planes are a key device used by marketing executives to help them expand distribution, keep in touch with customers and prospects in out-of-the-way places, and to make good on their reputations for immediate service.

Planes are executive man-savers, too. Now executives can get out into the field as often as required, and yet they can return home more often than in the past.

► Company-owned planes number 26,000, making the largest air fleet in the world, flying circles around the craft of the Air Force or all the commercial airlines combined. (This private fleet doesn't include planes used for chores like crop-dusting, shipping or product transportation that also move men.) Business planes flew 1.3 million miles more than all U. S. airlines combined last year. Private jets are expected to broaden the market.

More than 90 of the top 100 corporations own planes—but executive

plane use is not limited to corporate giants. Often it's quite the opposite. Small and medium-size companies use planes to compensate for their less extensive facilities. For them a private plane has tremendous ego appeal. They demand de-icing equipment and all the other accessories that make for airline dependability.

The market is big—and broad. Both multi-engine planes and fly-it-yourself craft are selling. For the latter, the aircraft marketers offer pilot-owner training when requested.

Aircraft makers are developing sales literature that describes an airplane as a piece of capital equipment, which if used properly, can return a profit on the investment. In earlier, and less sophisticated days, sales literature was limited to description of the product.

6,124 of these planes were sold last year. Cessna Aircraft Co., Wichita, accounted for 47.8%, Piper Aircraft Corp., Loch Haven, Pa., for 35.3% and Beech Aircraft Corp., Wichita, for 10.9%. The others shared the remaining 6%.

Whatever way owners figure executive plane charges, the conclusion is: travel—by scheduled airline, rail and auto—usually costs fewer out-of-pocket

dollars but private planes save costs by saving executives' time.

Much depends upon the owner's use of his executive plane, and extent of maintenance.

► Cessna tells Sales Management the cost per mile, based on 500 flight hours (60,000 miles) per year, for its single-engine, four-seater Model 172, owner operated, is 7.8 cents. The figure includes fuel, maintenance, hangar, depreciation and insurance costs. Cost per mile for its light twin-engine five seater, 310C also owner operated, is 16.9 cents for 500 hours (110,000 miles).

Beech's Beechcraft Model 95, a twin-engine craft that seats four, has total costs per mile of 16.9 cents based on 600 hours use.

Piper says total costs for its Apache, a twin-engine five-passenger model, come to 18.1 cents per mile based on 400 flight hours (64,800 miles) per year. For the same 400 hours per year, costs on the Tri-Pacer are 8.8 cents per mile; on the Comanche they are 13 cents.

Aero Commander, on its 560-E, seven-seater, computes the cost per mile, based on 600 miles at 25.9 cents. This is a \$78,400 aircraft. ♦



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When you advertise in Salt Lake's two metropolitan newspapers, you not only reach and sell "INNER" Salt Lake with its 1/2 million people, but you also open the door to a million more prosperous prospects residing in "OUTER" Salt Lake. Salt Lake is the center and control point for this entire Intermountain market of 1 1/2 million which extends hundreds of miles into neighboring states. It's unique, we admit, but true that this is one big buying area served and sold by Salt Lake's two metropolitan newspapers.



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Capture this thriving, prosperous market with the STATION ON THE MOVE—WTVT—first in total share of audience* with 34 of the top 50 programs. WTVT, with highest-rated CBS and local shows, blankets and penetrates the MARKET ON THE MOVE . . . TAMPA - ST. PETERSBURG.

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Florida's largest producers of oranges,
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station on the move . . .

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SALES MANAGEMENT

How Many of These Marketing Changes Affect Your Management?

You're probably shipping more by truck, less by rail
(Are you packing your product in correct containers?)

1954 Census data probably are out of date for your industry
(Are you familiar with sources for up-dated data?)

Your salesmen must travel further, make fewer calls
(Are your men self-starters, emotionally stable?)

You probably should re-evaluate your compensation plan
(Would straight salary be a better deal for you and your men?)

When Industry Moves to Interurbia

IT IS NOT ONLY the consumer who has migrated from the metropolitan area; industry too has dispersed, even beyond existing suburbs into a different type of area. Land that was previously marginal for industry use is now the site of factories.

This dispersion has a two-fold relationship to interurbia: First, factories in order to secure certain economies like horizontal plant layout, massive parking lots, etc., have leap-frogged into rural areas and then attracted labor; second, other plants have located near untapped sources of labor in interurbia.

Railroads were once a prerequisite for industrial activity; however, today highways play a comparable role in the growth of industrial activity in interurbia. Plants will locate along super highways and the labor force drawn to them will form new communities.

Interurbia is not an abstract or nebulous concept about which academicians speculate. The idea holds practical meaning for planning the marketing strategy of industrial goods. It is serving as the basis for new markets for both industrial and consumer goods.

The factors discussed above indicate that a much greater degree of flexibility in plant location becomes possible. Industry is no longer limited to sites on the outskirts of large cities or to established communities. The potential magnitude of this movement is its most striking characteristic.

What impact will the current recession have on industrial interurbia? It could mean a temporary slowing up in the rate of plant construction. But an important anti-recession measure is likely to be highway construction which will set the stage after business recovery for an even greater rate of interurban plant development.

► Any rapid increase in industrial interurbia would make present territorial data obsolete. Thus any index of sales potential which is based on census data should be considered in the light of the significant increase in industrial scatteration since 1954. This

The authors of this discussion of the impact of interurbia on industrial marketing are on the Marketing Faculty, College of Business Administration, Lehigh University, Bethlehem, Pa. The authors: S. George Walters, Morris L. Sweet, and Max D. Snider.

necessitates obtaining even more current data which may not always be easily accessible. While these changes may not affect methods of sales forecasting, greater ingenuity in gathering and interpreting the data upon which to base the forecast will be required. You will find up-dated data in Sales Management's July 10 Survey of Industrial Buying Power.

Salesmen in interurbia will spend more time traveling to and from customers. There is a considerable range in the proportion of time devoted to traveling. In 1954 one authority estimated that about 40% of salesmen's time is spent in traveling. Assuming that the salesman works an 8-hour day, approximately 3.2 hours per day is spent traveling. If the new interurban salesman spends an extra hour per day in traveling, which is a conservative estimate, he would be spending 52.5% of his time in travel, an increase of 12%. Hence, one new salesman for every eight present salesmen will be required in order to insure the same degree of customer coverage.

Not only will transportation costs be up, but there will be changes in the types of transportation used by

Interurbia: What It Is

Marketing management must reshape its policies and strategy in the light of a new concept of industrial location. This concept, whether called interurbia, megalopolis, or regional urbanization, has to date been considered primarily from the standpoint of the marketing of consumer goods, yet the impact of interurbia will have equal importance for the marketing of industrial goods.

Interurbia has been defined by the J. Walter Thompson Co.—Yale University study—as containing

two or more adjacent metropolitan areas with either two cities of 100,000 or more, or one city of 100,000 and three cities of 25,000 or more plus adjacent counties with less than 25% farm population and more than 100 people per square mile. Actually, it is a combination of conventional standard metropolitan areas merging with adjoining areas to become a new type of urban region. For example, the Twentieth Century Fund is now studying the area running from a line north of Boston to south of Washington.



WHEN ETHICON, INC., a Johnson & Johnson subsidiary, moved 20 miles from New Brunswick, N. J., to Bridgewater Township, N. J., what was the impact on: Old suppliers? New

suppliers? Sellers of raw materials? Sellers of maintenance, repair and operating equipment? Number of salesmen calling on Ethicon's purchasing department? Services rendered?

Ethicon in Interurbia

What about interurbia from the viewpoint of the buyer in his performance of the purchasing function? Vincent Huether, chief purchasing agent of Ethicon, Inc., freely discussed the changes which have resulted from his company's move from the New Brunswick, N. J., area to Bridgewater Township, N. J., a distance of some 20 miles. Though the move has not caused any extreme changes in the company's operations, it does serve to point up some effects of interurban movement. Mr. Huether believes "... that the impact of industrial scatteration is something which must very soon be reckoned with by industrial management not only in the field of sales and purchasing, but from other important aspects of industry as well, such as personnel, traffic, finance, etc."

Ethicon, Inc., though a subsidiary of Johnson & Johnson, operates almost entirely autonomously; 95% of its output consists of surgical sutures in which field it is the dominant concern. In 1956, it moved from six scattered buildings in the New Brunswick area to a striking

new building of 200,000 square feet in Bridgewater Township on U. S. Route 22. The move actually was spread out over a period of several months. It began around April 1, 1956, when the Shipping and Warehousing Departments were moved. Each major division was then scheduled over the next four or five months with the Research Department being the last to move in September 1956. The Purchasing Department moved to the new location on June 22, 1956. At the present time Ethicon employs approximately 700 people at the Bridgewater Township operation. In the new location there is almost complete reliance on truck transportation.

Before making the move, Ethicon notified all of its regular suppliers. The letter mentioned the date of the move with the approximate schedule for each division and mailing and delivery address. A map of the new location was enclosed.

Buying at Ethicon falls into two categories: raw materials and non-raw materials.

salesmen. Private planes and chartered planes will become important means of transportation for those suppliers whose customers are widely scattered. As an adjunct to commercial air travel, and a substitute for inadequate bus and train service, car rentals will take on added importance.

Interurbia is likely to mean fewer accounts per salesman and a change in the character of his accounts and amount of earnings. If the salesman is required to spend more time traveling and less time selling, his present compensation plan will mean less income. With compensation closely correlated to changes in sales volume, the likelihood is that the present com-

pensation plan will have to be re-evaluated, perhaps with greater emphasis on straight salary.

► When a company moves to the outer fringes, it does so because it has outgrown its present facilities. In its new location it may become a better customer; hence the supplier's salesman in the new territory may experience a windfall. In any event industrial interurbia demands a re-evaluation of quotas and all other standards of performance based on past data to assure an equitable system of compensation.

Management will eventually develop a sales force well suited to the

requirements of interurbia. What qualities should receive greater emphasis? Emotional stability on the part of the salesman looms large. He will be working in areas without the conveniences and comforts of the city — away from his family for longer periods of time. Adapting to an entirely new mode of living — "motel living" — may be difficult for a salesman. (Evenings in a motel can be pretty dull.) Physical stamina, always critical in salesmen, becomes more important for the interurban salesman because of the extra strain of additional travel.

A greater degree of self-sufficiency will be a prime requisite. As part of

Raw materials include all items which are further processed for use in the end product, e.g., suture materials, chemicals, packaging components, etc. There has been little change in the procurement of raw materials. These are usually bought on the basis of specifications from a limited number of sources selected by purchasing.

With non-raw materials or MRO (maintenance, repair and operating equipment), there has been a greater change. The Johnson & Johnson policy is to buy locally whenever possible, consistent with price, service, and availability. Before leaving New Brunswick, Huether checked with his local suppliers to get their reaction, and most were happy to continue their business relationship with Ethicon, Inc. At the same time he checked with Ortho Pharmaceutical Corp. which has been located in the new area for seven or eight years. Ortho's purchasing agent was able to give information about local MRO suppliers and several were selected.

The move placed Ethicon in somewhat of a predicament. As previously mentioned, it is company policy whenever possible to buy from local suppliers. A problem arose of reconciling this policy with consideration to the many years of faithful service given by a number of suppliers in the New Brunswick area. The solution has come with the passage of time. Some of the former suppliers have dropped out because they lack adequate delivery facilities and personnel; and there's been a gradual shift toward those local suppliers who can provide the necessary equipment immediately.

Surprisingly, there has been a sharp increase in the number of salesmen calling on Ethicon since the move. Many salesmen driving on U. S. Route 22 are attracted by the building and decide to make a call. These salesmen usually represent firms located within a radius of about 50 miles.

Salesmen's Calls

1952	900
1953	1160
1954	1438
1955	1518
1956	2407
1957	3360

Salesmen who call regularly have come to be expected

at a particular hour and/or a particular day. Unless they come from long distances, they generally give no advance notice. Because of the more isolated locality, Huether has re-emphasized to his buyers the company policy of seeing all salesmen promptly. No special time has been scheduled for interviewing salesmen.

Salesmen coming from distant points do not usually stay overnight in the vicinity, but prefer to return to New York. Those who don't drive come to Somerville by rail or bus, and then by taxi to Ethicon offices. With the return trip this is a distance of about 100 miles. Present rail or bus schedules might thus limit the salesmen to one call a day. One salesman has solved this problem by flying (a distance of approximately 40 miles) from Lodi, N. J., to an airport which is ten minutes from the Ethicon plant.

Servicing of equipment can be a problem to Ethicon. The greater distance from established service centers means a longer wait for the technical serviceman.

From Ethicon's limited experience, it can be concluded that even with an extremely cooperative customer, the performance of the selling function is going to change. The impact will be even greater with customer movement into more isolated interurban areas.

This study of Ethicon in interurbia indicates that more attention should be given to a number of factors, some of which are scheduling of salesmen, servicing, and channels of distribution.

The vendor offering the quickest or most readily available service will be in a more favorable position than his competitors. With the increasing use of more complex equipment, service will be an even more important factor.

In the past a marginal distributor might have been adequate for those areas which showed little sales potential. However, the increasing scatteration of industry means that today no alert supplier can consider any part of interurbia permanently marginal.

The efficiency of the purchasing and sales management functions will be seriously impaired if no consideration is given to present and future changes generated by interurbia. Many firms will, of course, continue to operate in their traditional manner and location. Thus management will be confronted with the need to develop appropriate policies for each situation. ♦

his regular sales call, the salesman should be capable of inspecting equipment to see whether it is functioning properly. The new type of salesman will be less able to call upon the home office for instructions, and thus will probably be required to route himself. The scarcity of market data which reflects industry scatteration demands that the salesman be capable of channeling trade information to the sales manager.

Purchasers located in interurbia will have to recognize the difficulties faced by salesmen calling on them. The salesman traveling great distances should make advance preparations and in turn should not be kept wait-

ing unnecessarily. Where facilities for eating, sleeping, and transportation are unavailable, the salesman may have to be given assistance. Location in isolated areas means trade information will be more difficult to obtain; thus visiting salesmen become an important source, not to be lost by too brusque treatment.

► With the greater distance between buyers and sellers, trade exhibits may help both parties. The value of these trade shows to the buyer is determined by the number of competing suppliers who participate. Under favorable circumstances, the seller obtains a more effective method of

reaching new prospective buyers.

The difficulties facing purchasing agents in interurbia may be partially offset by attendance at trade shows. The trade show can provide trade information, and uncover new sources of supply and new products.

A trend may develop toward the delegation of certain buying activities to outside purchasing services. While this service has always been available for hard-to-get items, the number of such items may be increased to interurbia. There may then be a comparable growth in the industrial field of the resident buying office which is a major factor in obtaining many types of consumer goods. ♦

That "Million Dollar Lathe" Story

Do you have a complex message to tell? Then say it simply the first time—and mean every word of it—and thousands of people will repeat it for you. You'll probably repeat this one yourself!

MANAGEMENT can talk till it's hoarse about the squeeze from high taxes and rising labor and material costs in an age of tough competition. But the story is usually too complex to be grasped by the audience the company wants to reach—employees, shareholders and customers. They don't listen, or, if they do, they don't understand.

One company which found a way to tell its "squeeze" story in an easy-to-understand and convincing way is Thompson Products, Inc.,* maker of

automotive, aircraft, industrial and electronic products. Thompson did it through its famous "Million Dollar Lathe" story, first published in the firm's annual report to employees for the year 1956.

Thompson's presentation of the dilemma it shares with so many large companies was too good to be confined to its original audience. It was read on the floor of Congress in 1957 and has been reprinted and made the subject of editorials in hundreds of publications, from Thompson's home

town newspaper, the Cleveland Plain Dealer, to The Wall Street Journal. Thompson has not kept score, but reports that "bundles of clippings—hundreds of them" have come in during the past two years. Which seems to prove that in our era of multi-form communications, it's still newsworthy when a complex story that needs telling is superbly told.

Here, in its entirety, is the story as it first appeared in Thompson's annual report to "Members of the Thompson Organization," in 1957.

* Now Thompson Ramo Wooldridge, Inc.

Tale of the "Million Dollar" Turret Lathe

In 1942, when the Tapco Plant first opened, the company bought a Warner & Swasey 3-A saddle-type turret lathe for one of the divisions engaged in aircraft work. The lathe cost \$12,000.

Federal tax laws permitted the company to lay aside the original cost of \$12,000 as depreciation, at the rate of so much a year for 14 years, so presumably there would be money available to replace the lathe when it wore out.

In 1956 the lathe became obsolete. It had a resale value of \$1,000, and the company had \$12,000 to add to that with which to buy a replacement.

But the replacement cost in 1956 was \$35,000 for a lathe that would perform the same functions as the old model, or \$67,000 for a new one with attachments to meet today's more exacting needs.

The company had only \$13,000 to do a \$67,000 job. The difference of \$54,000 had to come out of profits, and in order to get that amount in 1956 the company had to earn a profit of more than \$112,-

500 before taxes because \$54,000 was all there was left after the Government took its corporate profit tax of 52%.

And to earn that amount of profit, the company had to sell more than a million and a quarter dollars worth of products to customers. It took more than \$1,250,000 of sales to buy just one machine!

Thus, while \$112,500 sounds like a lot of profit, we find, in this case, that the stockholders got none of it. The Government took more than half, and the rest went to replace a machine so three Thompson people—one per shift—could continue working.

This story is duplicated hundreds of times each year throughout the company in the case of machines, large and small. This is why only a relatively small amount of profit is paid to stockholders in dividends, and why a large portion must be retained to finance expansion and replacement so that the company can continue to operate and employees can continue working.



Bread, Spread and the Whole Dinner...

Report No. 1 on the New Economics of

To the consumer, these three items spell *convenience* . . . just spread the bread and heat the Tray Dinner. But to the businessman they tell a great story of sales success with Reynolds Wrap Aluminum Packaging. They prove that the *eye-catching gleam* of aluminum sells itself in refrigerator and freezer cabinets as well as on the shelf. And they demonstrate the *unequaled protection* of this packaging . . . against moisture loss, light and odors.

Most important, they illustrate the New Economics of Reynolds Wrap Aluminum Packaging. Today, when overall marketing expense has increased so greatly, this step-to-the-top in display and protection stands out as lower than ever in *relative cost* . . . and higher than ever in return on investment. Whether your product is a specialty like a frozen dinner or a staple like bread, let us show you how the New Economics apply . . . and also bring you data from a new study: "The Image of Aluminum Foil." Call any Reynolds sales office or write Reynolds Metals Company, Richmond 18, Va.

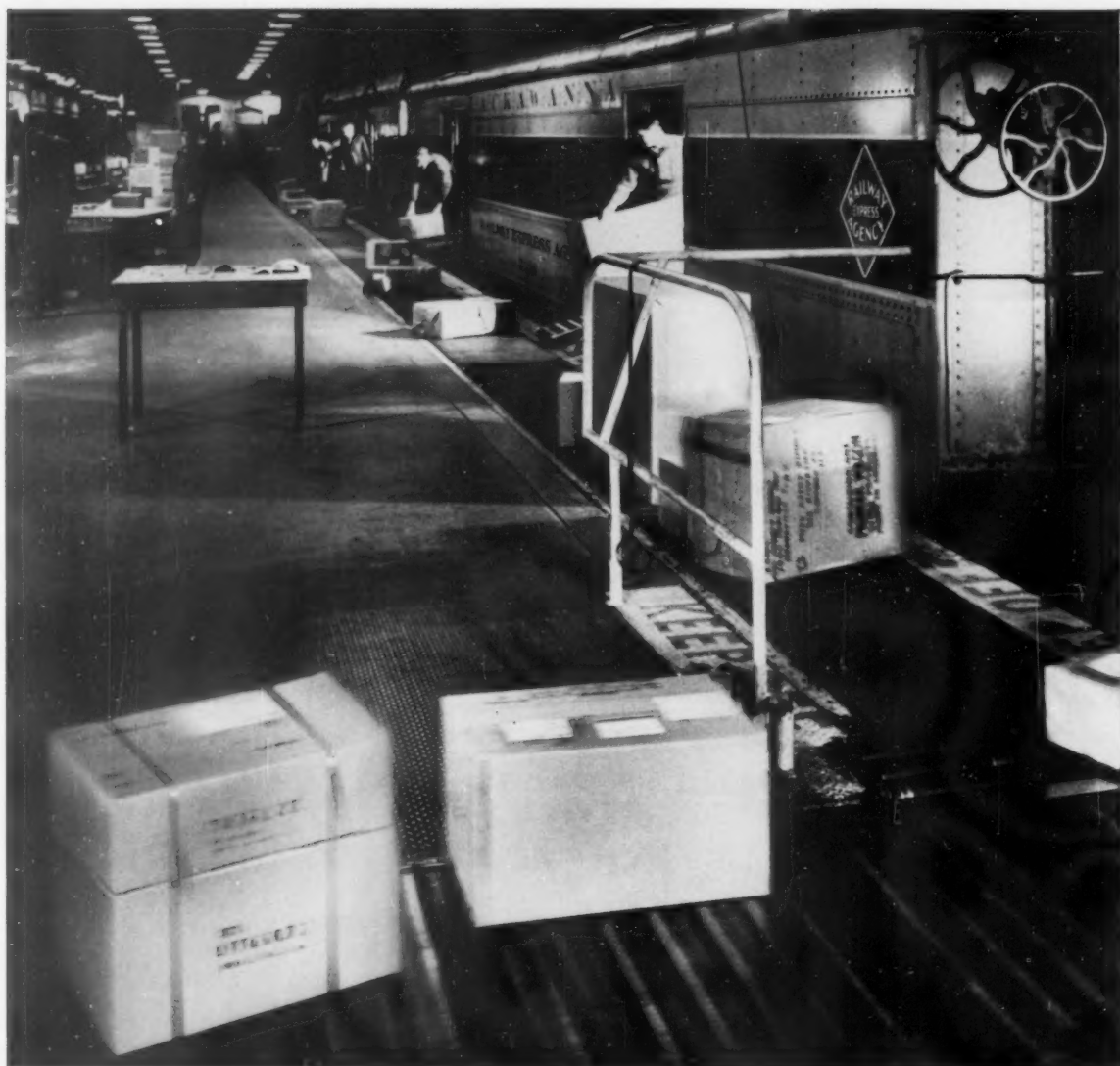
Watch Reynolds new TV shows "Walt Disney Presents" and "All Star Golf" every week on ABC-TV.

REYNOLDS WRAP ALUMINUM PACKAGING



BRAND POWER PLUS!

Investment in aluminum foil packaging is the biggest bargain in the whole range of marketing. BUT USE OF THE REYNOLDS WRAP ALUMINUM PACKAGING SEAL IS A BIGGER BARGAIN STILL . . . IT'S FREE! Surveys show 8 out of 10 women know this Seal. 7 out of 10 of these prefer products carrying it. Remember, your Brand Power is big, but this is Brand Power Plus!



Photographed by Robert Yarnall Richie

Non-stop shipping

Every day—24 hours a day—more than 20,000 shipments travel over this quarter-of-a-mile “moving sidewalk.” Operating right on the loading platform, this electrically-powered conveyor speeds transfers between trucks and trains . . . is typical of Railway Express’ new and advanced techniques in rapidly processing shipments to final destination. And this is only *part* of the multimillion-dollar modernization program designed to give you faster, more complete service.

Your shipment moves swiftly to almost anywhere in the world—with unified *one-carrier* responsibility all the way. You get door-to-door delivery at no extra charge within REA delivery limits in the U.S. Check the special low rates on many commodities. Next time *you* want safe, swift, sure shipping—call Railway Express!

shipping goes MODERN
with



RAIL • AIR • SEA

Big Changes Ahead In the Food Industry?

Yes. The cause: the rising science of food technology. Researchers are finding better ways to grow foods, new ways to process foods, are learning what makes foods taste and smell better. This author—an authority—says the technologists are already far ahead of marketing and promotion men in the food field.

By EMIL M. MRAK

Chairman, Department of Food Technology
University of California College of Agriculture

IN THE WORK of our department we regard six attributes of a food product as important factors in its marketing. They are:

1. Consumer acceptance, influenced by color, flavor and texture
2. Convenience, judged by ease of use, ease of carrying and ease of storage
3. Stability during distribution and shelf life, and after purchase
4. Aesthetic value
5. Safety
6. Nutritional value

More and more we find that to ob-

tain desirable color, flavor, and texture in foods, particularly foods for processing, we must begin at the farm that produces them. Production procedures are of prime importance to food processors. We must be aware of the effects of geographical area, irrigation, fertilization. Flavor may depend on knowledge of the ideal harvesting time, for example, especially in the case of fruits or vegetables for canning or freezing.

Take pears. Pears grown in certain areas are naturally more flavorful than those from other areas. But certain control procedures developed during the past few years, particularly with

respect to harvesting and post-harvest handling, has given the canning industry pears with a rich dependable flavor regardless of where they're grown.

The canning industry has reaped these benefits:

1. Assurance of a consistent flow of fruit to the cannery, permitting planned eight-hour-day processing in place of the old-time boom-or-bust. This has meant great savings in labor and hence in costs.

2. Elimination of waste. The number of cases of fruit per ton has increased 20 to 25%, which also means lower production cost.

3. Consistently high quality of product. On this point, there was one large market where, up to a few years ago, California pears could not win acceptance. Since controlled handling of raw materials became the accepted practice, this stubborn market has been cracked and is now fully receptive to the California variety.

► Consumer taste tests revealed that in the case of canned cling peaches, greatest consumer acceptance was met when the product had a specified sweetness-acid ratio. Provided the fruit was fully ripe, this ratio gave the highest flavor. It was found that if sugar content was raised a certain amount above the usual standard for canned cling peaches, and this was compensated for by the addition of a small amount of citric acid, there was higher consumer acceptance for the resulting product than for the customary pack.

Taste tests were started with our own panel of experts. Then we took their preferred samples to the Sacramento State Fair during two successive seasons, making about 15,000 testings.

Next, in a selected small city (population 10,000), we took every seventh listing in the telephone directory, gave samples of the same cling peaches in cans to the residents, and compared results. These confirmed the findings at the State Fair, as the latter had confirmed our own panelists' preferences.

Finally, we collaborated with the Kroeger Foundation, Cincinnati, tak-



EXPERIMENTING. Pears grown in some areas are more flavorful than pears grown in other areas. Researchers found ways to make them all taste equally good; saved money, too!

ing a panel into several states. Once again the previous test results were confirmed. It seemed conclusive that average consumers had a marked preference for a certain sugar-acid ratio in canned cling peaches.

The principle used here is similar to the one involved in shaking a little salt into beer to "bring out the flavor." Salt pushes the carbon dioxide out of beer. The addition of sugar tends to make flavor more pronounced by pushing out the aroma or odor substances and making them available to the sense of smell.

In working with ice cream we found that, for the average taste, we got more acceptance when the product was slightly sweeter, indicating that the principle holds for low temperature foods, too.

There are fascinating possibilities in the discovery that color influences detection of flavor. In one test, we started with water, added sugar, acid, color and a flavoring agent (strawberry). When the color reached a certain intensity, the taster would appear to detect a stronger flavor, even though the flavor was the same. (This could not be carried beyond a given point.)

► Reversing the test, the color and other factors were kept the same and the amount of sugar varied. It was found that with an increase in sugar, flavor appeared to be intensified. In still another step, it was found that flavor appeal could be increased further if the flavor was left unchanged but both sugar and acid stepped up. What happens? The acidity and sweetness on the tongue are actually sensed by the nose.

On the basis of these findings we began to look for sweetness-acid ratios in foods; we then analyzed the results statistically for suitable application in food processing, shooting, of course, at what would please average taste.

The above are only a few indications of how technology is now pointing the way toward higher consumer appeal of food products.

Turning now to convenience, today's food markets provide many instances of successful applications of technology and suggest other areas where science might be used to improve marketability. Frozen orange juice, for example, spares the consumer the burden of garbage disposal and the nuisance of fruit flies (which are increasing in numbers), besides providing immediate availability. TV dinners provide everything in a few minutes, including the serving plate. Before long we may expect widespread use of frozen foods in plastic bags. The housewife will plunge them into boiling water, conserving flavor



Doctor Mrak Predicts:

More instant foods; more vending machine foods.

More automation for factory and other institutional feeding where people congregate and are in a hurry.

Some surprising developments in dehydrated foods.

New products from freeze-drying. For example, certain kinds of plate dinners such as beef, mashed potatoes and green vegetable, specially packed under vacuum, to be opened under warm water to provide an instant dinner. This has been done under research conditions and the Army is interested. The only bug so far: loss of juicy character of the foods.

The coming of a "radar-range," or some similar appliance, that will thaw frozen foods and frozen pre-cooked meals in a matter of seconds or minutes. This would result in a tremendous increase in the sale (and production) of all kinds of frozen foods. Today, it takes as long to thaw and heat a frozen baked potato as if the consumer started from scratch.

More packaging of frozen vegetables in plastic bags which can be plunged directly into boiling water. This promises more flavor and nutrition—and no pots or pans to scrub.

Cheaper methods of "growing" better beefsteaks, through breeding and feeding controls.

More plastic packages for foods because of their advantages from the point of view of conservation, disposal, aesthetic values, and opportunity for squeeze-type "inspection" by the buyer (are the dried prunes really fresh?). Such packages pack tremendous sales possibilities because of potential color and form variations.

They're readers of Seattle's Leading Advertising Medium



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OUT OF
EVERY \$100

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ARE SPENT BY READERS OF
THE SEATTLE TIMES

You reach MORE buyers in The Seattle Times



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ADVERTISING IN BUSINESSPAPERS MEANS BUSINESS

... most specifically, advertising that is written with a sure sense of what it takes to make a businesspaper reader sit up and take notice. Here are three of a series of folders prepared by ABP to help you get your full money's worth from your businesspaper advertising.

They're yours for the asking:

1. MAN IN THE MIDDLE... Eight folders (wrapped in a convenient file folder) on copy themes for advertising in merchandising papers. Each folder analyses a specific sales objective... suggests copy slants that work... shows typical examples of advertising that has done a job of selling more to—and through—dealers. No charge.

2. HOW TO MULTIPLY YOURSELF... Companion booklet to ABP's sales training film of the same name. This 18-page folder contains the entire film script and art. Can be used for film preview purposes by you or your clients or for independent distribution to clients' sales staffs. No charge.

3. BUSINESSPAPERS... THE "WORKING PRESS"... Spells out the function of the business press in today's fast-moving economy. Shows the intensified use of the medium by American businessmen. Illustrates effective businesspaper campaigns—and tells what makes them work. No charge.

Just write to any ABP member publication or the Business Service Department of:

THE
**ASSOCIATED
BUSINESS
PUBLICATIONS**



5 East 42nd Street, New York 17, N. Y.
1 North Wells St., Chicago 6, Illinois
14 National Press Bldg., Washington 4, D. C.

and nutrients, and have no pots to wash afterwards.

Stability requirements bring us into the areas of packaging and distribution. The aim of the food processor is to package his product in such a way that with average handling it will be as good after six or 12 months as on the day it was packed. We know that foods deteriorate when exposed to high temperatures, light, rough handling. Artificial light may affect pickles, for example, by destroying certain vitamins. Dried fruits require protection against insects and, in humid climates, against molding.

And consider the lowly catsup bottle. We know that if this could be improved, catsup sales might be increased. The fault of the existing package is that the product is hard to shake out. Too, the discoloration of the catsup in the bottle neck is unsightly and unappetizing.

Aesthetic values are of prime importance in the successful marketing of food, and technology can help the food processor who is aware of these values and aims at including them in his product. Art in labeling and science in packaging contribute to the aesthetics of marketing.

Safety is one of the burning questions that arises wherever processed foods are discussed today. It's unwise to ignore this factor, and no conscientious manufacturer will. If a person buys a product and it disagrees with him, he's not going to buy it again. Allergic reactions and the effects of various chemical additives have to be considered. Personally, I know of no instance where definite harm has been caused by chemical additives in recent years, although

their use has increased. Marketing men and promotion people, as well as field representatives, need to be well informed in this area to combat misinformation.

The same is true with respect to nutritional values of processed foods. I am willing to make the unqualified statement that we have the opportunity to offer higher nutritional values in processed foods than in the unprocessed. Manufacturers and their marketing people should be able to point this out to the trade and to consumers. There is an educational job to be done. But first, they themselves must be informed.

Some manufacturers are doing all that we in the field of food research are doing. They have a magnificent opportunity in marketing. Others are far behind. The old-time food processor who cannot think in modern scientific terms is on the way out.

Research is moving so fast that both production and marketing will have to run to catch up. Even in the large companies, research is ahead of production utilization; and marketing is behind both. Many a sales department simply is not utilizing what is available for the promotion of products.

But change is taking place. Progressive manufacturers are learning to use the technologists. To take one outstanding example: Brewers are turning to the college trained technologists to replace the romantic old brewmasters.

Throughout the food and beverage industries technologists are becoming effective allies of marketing men in the improvement of both products and sales opportunities. ♦

That Corporate Image Counts!



LEE H. BRISTOL, JR.

"But I'm interested in selling waffle irons or shampoos, some salesmen may say. 'I don't give a hoot what the customer thinks about my firm.' I need hardly say... that a viewpoint like that is as naive as it is regrettably common today. For what the customer thinks of your firm, experts tell us, can have a marked effect on the purchases of those waffle irons and shampoos. It may have more effect than even the consumer himself realizes." Lee H. Bristol, Jr., director of public relations, Bristol-Myers Products Division.

MEN WHO READ BUSINESSPAPERS MEAN BUSINESS



THEY PUT READING ON A C.O.D. BASIS

While a practical businessman is on the job, he expects a cash return for his time. Including his reading time. And he's willing to pay cash on the line for a product he needs.

That's why there's nothing leisurely or haphazard about the way a businessman reads his businesspaper. He knows his businesspaper delivers the information he needs. He reads purposefully, attentively—alert for news of his trade or industry. For new methods and materials. For fresh, profitable ideas that can bring him cash returns.

He finds as much of what he needs in the advertising as he does on the editorial pages—and consequently reads it with the same searching concentration.

To put the results of your advertising on a cash basis, make sure the men you want to reach give it their full concentration—in the pages of their businesspapers.

Good business advertising works best in a good businesspaper.

As an advertising man, you know that any publication's value as an advertising medium depends on its editorial strength. You know that your advertising achieves the greatest effectiveness in the publication with the most editorial muscle.

How do you choose among businesspapers? One positive way is by recognition of the ABP symbol. It's been a sure indication of editorial independence and publishing integrity for more than 50 years. Another simple way: check the paid circulation. People don't keep paying for businesspapers they don't read. All ABP papers are bought and paid for. All are members of ABC. Currently, more than 3 million subscribers spend over \$15,500,000 annually to read them.

Put your advertising in ABP businesspapers. You can be sure they're read by men who mean business.

MOST OF THE BETTER BUSINESS PUBLICATIONS DISPLAY THIS SYMBOL . . .



Small size Angel Face—now selling at top rates in molded plastic packaging, created and produced by Augusta Plastics Inc., Bronx, N. Y., is displayed here by Mr. Warren Dubin, Brand Manager (right) and Mr. Ralph Schusler, Asst. Purchasing Manager of Chesebrough-Pond's Inc.



Chesebrough-Pond's Inc.

to

Augusta Plastics

"What happened when we changed to molded plastic packaging? In food stores alone, today, Pond's Angel Face outsells all other brands combined, 4 to 1!"

"Back in 1953, Angel Face sales had apparently hit a sales plateau. What to do? We decided to try molded plastic packages—without increasing our packaging costs—as a sales booster.

"Molded packaging provided the solution. It cost no more than the previous package. Its rigidity was a decided advantage in packing, shipment, and display. And molded packaging effectively lent itself to color and design. We were the first in our field with the slip lid feature—just as we had been first with the product itself and later with the hinged compact.

"Results? Sales of Angel Face powder and foundation-in-one climbed to new peaks. And every year since, sales have continued to increase! Today, in food stores alone, Angel Face outsells all other brands combined, 4 to 1. (By the way, we proved by selling comparison tests under actual store conditions that the primary sales booster for our product was the molded package!)"

Can molded packaging contribute to improved sales for your product, as it has for hundreds of alert marketers? The Molded Package Evaluator can help you find out in little time with no obligation. Write today for your copy.

Monsanto supplies a large variety of Lustrex® styrene molding compounds to America's leading molders of plastic packaging.



*LUSTREX: REG. U. S. PAT. OFF.

Send for free copy of "THE MOLDED PACKAGE EVALUATOR"

MONSANTO CHEMICAL COMPANY
Plastics Division, Dept. 1137, Springfield 2, Mass.

Please send me free copy of "THE MOLDED PACKAGE EVALUATOR."

Name _____ Title _____

Company _____

Address _____

City _____ State _____

David vs. Goliath

- Does the little fellow have to be fast, mobile, inventive?
- How do you evaluate the leverage needed to sell \$100 million?

The small companies that get a chance at million dollar sales are as rare as monsoons in New England. But one little David, whose residence is New York's Madison Avenue, recently slew a Goliath 20 times his size.

"David" is The Wexton Co., Inc., an ad agency with billings of only \$5 million a year — peanuts on Madison Avenue. Its adversary: Grant Advertising, Inc., one of the country's most respected agencies (annual billings of \$100 million). Their battleground: the lucrative (one million dollar) Metropolitan New York Dodge automobile dealer account, which Grant had been handling. There are 100 dealers in the association.

Wexton won. It won because, like little David, it sized up the opposition and armed itself with the proper ammunition. Says Wexton's Larry Schwartz, the agency's president, "The odds against my company getting the account were impossible. Maybe the story of how we pulled it off will provide some inspiration for other smaller companies."

Wexton reasoned that the other agencies bidding for the account would probably concentrate on advertising ideas. So Wexton concentrated on the formula which it maintains is the secret of its success, the "total marketing" approach. The Wexton planning committee aimed at a comprehensive, integrated marketing program regardless of the time, effort or expense required. "Even if we didn't get the account," says Schwartz, "we would, we figured, be gaining wonderful experience."

Four of the agency's top executives, including Schwartz, called on many of the 100 Dodge dealers to learn as much as possible about the dealers' needs, problems, previous experience with advertising programs. With the help of the research departments of several leading New York newspapers, Wexton gathered voluminous, helpful data on car sales, buying patterns of consumers, competition among dealers and other points.

Wexton's method: Having worked successfully with the reasoning that works backwards from the objective — Einstein proposed his theory of rela-

tivity and established his conclusion before he filled in all the supportive steps, says Larry Schwartz—it sought the single facet on which all parties were agreed, the need to sell 30,000 Dodge cars in 1959 in the 100-dealer Metropolitan New York area, for \$100 million in sales.

How could the Dodge dealers, with guidance from Wexton's advertising program and research facilities, sell 30,000 cars? Wexton provided a list of possible activities:

Telephone selling and lead-getting
Home demonstrations

Retail advertising in all media

Coordination with national advertising, including purchase of dealer listings next to national ads

Specialized sales training

An incentive program for salesmen

An incentive program for salesmen's wives

A splashy kick-off meeting for all salesmen and their wives

Localized publicity

Direct mail promotion

Institution of a foolproof system to insure that leads were followed up quickly and properly

Point-of-purchase material

Effective strategies for closing sales

Continuing research

A referral system

Special promotions

Showmanship—to provide a special

excitement at all levels of the promotion

Wexton's bid before a 14-man committee that would select the agency was planned as carefully as any Broadway show. It took an hour and fifteen minutes, was devoted entirely to a dramatic presentation of methods for selling 30,000 cars. The equipment:

A large bulletin board on which were pinned the elements of the selling program as they were discussed

Slides

Layouts of four newspaper ads

A taped radio commercial

An eight-foot wall poster illustrating a traffic building device

A flop-over presentation

A mimeographed summary, from which the presentation was delivered

A plastic Zippalope for each member of the committee with a mimeographed summary of the presentation. Each Zippalope was gold-stamped with the recipient's name.

An hour after the presentation Wexton was notified that it had won the account. The reason-why was easy to spot. But as Joseph Schneider, president of the Dodge New York Retail Selling Association put it: "Wexton came up with the best program for our needs."♦

WHO IS THIS DAVID?

Larry Schwartz (you know him through Sales Management's Sales Promotion Idea File, see page 64, Feb. 6) is tall, dark, handsome and speaks Japanese. The agency he heads is 12 years old. He was Wexton's first salesman in an office that was converted from a coal bin of an apartment house. "We had," he says, "one door, one window—and one mouse." After the War he was with Intelligence in Japan where his knowledge of the language sharpened. Since those days he's even been able to use his Japanese in his business. Because he speaks it he landed the advertising account of New York's Takashimaya Department Store!



When you want to know how your ads sell
...ASK THE MEN WHO READ THEM!

By going directly to the men who pay to read our publications,
we bring you a positive measure of the effectiveness
of your advertising in McGraw-Hill publications.
We've asked our readers how they react to your ads...

Here are the results



These are direct
quotes from
continuing
readership studies
sponsored by
McGraw-Hill,
including our own
"Reader Feedback,"
and Starch and
Mills Shepard.
They bring into
sharp focus this
basic truth:
advertising is a
primary tool in
selling to business
and industry.
Your McGraw-Hill
representative will
gladly furnish
additional evidence
on request.



"We discussed the ad for tires on mine shuttle cars, then put them into experimental use. So far, we're continuing to buy that type for all replacements."

Production Manager, Coal Company



"The ad was just the prod my partner and I needed to get us to make the final move. I've written for information and prices . . . when we see their men we will decide just what and when we'll purchase."

*Vice President and Partner,
Textile Weaving Mill*



"The ad stimulated our interest. Then their sales people began to call, and we started to use the product."

*Development Engineer,
Helicopter Manufacturer*



"I was so interested in this ad I went to see traffic control board in operation at shops here."

General Manager, Manufacturer



"This ad clicked with me. I am designing an oil pump, and need a high-temperature seal. I decided to use this as a sealer."

*Project Engineer,
Consulting Engineering Firm*



"We first heard about them through an ad. We are now using them on a foot press, and it works fine. I'm going to see if I can put them on other machines."

*Maintenance Superintendent,
Metal Parts Manufacturer*

*Your Advertising in McGraw-Hill Publications
Sells Your Products!*



"This is a new product for them, but they have a terrific reputation. I discussed the ad with the head of our company, and shall send for some samples."

*Superintendent,
Frozen Meats Manufacturer*



"Our Purchasing Agent pointed this ad out to me. Although it isn't definitely decided, I'm quite sure we will buy their mixers."

Treasurer, Chemical Company



"The ad reminded me that I had some of their catalogs. I got them out, and ordered equipment from them."

*Plant Manager,
Petroleum Distributing Company*



"We called their people in after seeing the ad, and now they are making a layout for us."

*Factory Manager,
Metal Products Manufacturer*



"I recently bought some as a result of this ad. The other brand we had was always causing trouble, and this looked like a good thing."

*Purchasing Agent,
Rope and Twine Manufacturer*



"I have discussed this with a contractor who is buying some property for me, told him about the equipment I saw advertised and that it is my preference. I am sure that he will go a lot on my recommendation."

Mining Engineer, Mining Company



McGraw-Hill

P U B L I C A T I O N S



McGraw-Hill Publishing Company, Inc., 330 West 42nd Street, New York 36, N. Y.

FEBRUARY 20, 1959

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Stainless Steel Heebie-Jeebies: Silverware Makers Have It

Today's homemakers love the simplicity, the non-tarnish quality, and the reasonable price of stainless steel flatware. But domestic manufacturers are screaming "Murder!" about foreign competition (especially Japanese) and a 40% drop in silverplate volume.

By ETNA M. KELLEY



SERVING FOR SIX in stainless steel by Oneida reflects unadorned design trend.

IF you want to kindle fire in the eye of almost anybody in the silverware industry, just say "stainless."

A substantial part of that industry seems to be in a state of psychosis. The reason: the steadily rising popularity of stainless steel flatware. Silverplate flatware is taking it on the chin. Oddly enough, sterling silver continues to do quite well.

The big stew, so far as stainless is concerned, is about foreign competition, European and Japanese, but especially Japanese. American silver manufacturers, who, in self-defense,

have gone into the making of stainless flatware, are finding it almost impossible to compete price-wise because of the disparity between U.S. and foreign labor rates.

Because there are few industries in these fast-moving times that are safe from new kinds of competition, Sales Management decided to look in on the stainless-silver battle to find out what's happening. Most of the manufacturers turned deaf and dumb. Several tried to discourage any mention of the situation whatsoever. One vice president in charge of sales, who lives

in a dream-world of his own, told us, "I really don't know whether it is true that sales of stainless steel flatware and cutlery are growing."

Some rather solid figures on stainless and its rate of growth are readily available from the report released by the United States Tariff Commission in January 1958. (See table below.) The Commission's investigation was conducted at the request of the Stainless Steel Flatware Manufacturers' Assn., which hoped to get some protective tariff action.

This report showed that imports of

Stainless Flatware Sales Have Silver Lining

1956 SALES OF U. S. MANUFACTURERS AND IMPORTERS BY TYPE OF OUTLET

TYPE OF OUTLET	IMPORTERS		U. S. MANUFACTURERS	
	DOLLAR VALUE	% of Total	DOLLAR VALUE	% of Total
Retailers				
Dept. stores, chain stores, mail-order houses, house-to-house canvassers, and similar outlets	\$6,987,256	53.3	\$8,548,853	27.4
Jewelry stores, hardware stores, independent drug stores, and similar outlets	1,073,252	8.2	2,589,805	8.3
Wholesalers & Jobbers	2,668,026	20.4	10,575,145	33.8
Premiums, etc.	1,063,937	8.1	3,752,166	12.0
Direct sales to consumers	904,365	6.9	*	
Commercial users				
(hotels, restaurants)	136,660	1.0	3,342,255	10.7
Military services	26,274	.2	829,244	2.7
Other manufacturers of flatware	24,395	.2	1,128,805	3.6
All other	216,796	1.7	475,157	1.5
	<u>\$13,100,961**</u>	<u>100.0</u>	<u>\$31,241,430</u>	<u>100.0</u>

*Included in "All other"

**Sales reported by 122 importers, accounting for an estimated 88% of total sales by all importers.

Note: The foregoing represents information submitted to the United States Tariff Commission, made public, January 1958.



Brownie Turret Movie Camera, Scopesight f/1.9, with built-in exposure meter, automatically shows correct exposure setting! \$99.50.

“...Terrific appeal with our dealers!”— reports Reliance Pen and Pencil Corp.

LEAD-OFF premium among four Kodak cameras offered by Reliance Pen and Pencil Corporation in its Templar Pencil promotion to dealers and salesmen is Kodak's new Brownie Turret Movie Camera, Scopesight f/1.9, with built-in exposure meter. In Reliance's own words—“It's proving tops in dealer appeal . . . really bringing in the orders!”

“We're also impressed with the co-operation we're getting . . . with Kodak's willingness to make every effort to assure the success of our Templar Pencil promotion,” Reliance adds.

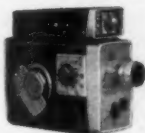
As the record of successful sales promotions with Kodak premiums grows and grows, it's not hard to see the key to these successes—Kodak cameras and outfits are “most wanted” by customers and prospects! Mail coupon today and learn how Kodak premiums can help your next promotion—as dealer and sales force incentives, as traffic builders and consumer premiums, for every sales effort.

There's the right camera or outfit for your promotion in Kodak's full line from \$4.25 to \$850!

Prices are list and subject to change without notice

EASTMAN KODAK COMPANY, Rochester 4, N. Y.

Kodak premiums are available in a full range of prices. This helped Reliance Pen and Pencil Corporation choose cameras for all types of orders: the Brownie Turret Movie Camera, Scopesight f/1.9 (Exposure Meter Model)—\$99.50 (main illustration); the Brownie Movie Camera, Scopesight f/1.9 (Exposure Meter Model)—\$79.50; the Kodak Pony II Camera—\$29.50; and the Kodak Pony IV Camera—\$39.95.



MAIL COUPON TODAY

EASTMAN KODAK COMPANY
Premium Sales Office, Rochester 4, N.Y.

222-2

Gentlemen: Please send me more details on promotion opportunities with Kodak premiums.

Name _____ Company _____

Position _____ Street _____

City & State _____

Kodak
TRADEMARK

stainless steel flatware, which supplied about 7.6% of the domestic market in 1953, supplied 11.2% of that market in 1954, 19.8% in 1955, 35.9% in 1956, and 40.1% during the first four months of 1957.

The silverware manufacturers' plight neatly crystallizes the main issue in the entire foreign trade picture. Each year more U.S. companies face a higher degree of saturation in domestic markets and look to the cultivation of foreign markets as a means for expanding volume and profits. Those in this category understandably feel that trade is a two-way street, and that in order to sell to overseas markets we must also buy from them. But other companies, which do little or no exporting, fiercely resent competition from foreign producers, especially those who can substantially under-price domestic merchandise.

Advocates of free trade point out that the balance of trade is in our favor, that the U.S. is exporting more than she imports. And Japan, largest exporter of stainless steel to this country, has been buying nearly twice as much (of all products) from the U.S. as she sells here. In 1957 she became the second largest export market (Canada is first) for this nation's products.

These are the developments that led up to the current state of the stainless-silver battle and the furious resentment on the part of domestic manufacturers at the inroads being made by imported wares:

A Cinderella Product Gets a Beauty Treatment

Before 1950 the stainless steel flatware produced and sold in the U.S. was of indifferent quality and was used chiefly in institutions and inexpensive restaurants. But early in this decade European designers began to turn out high-quality stainless steel flatware in contemporary patterns. Some of it came to this country and was carried in such prestige stores as Jensen, Peacock, Black, Starr & Gorman, even Tiffany (which dropped stainless as others began to carry it). Soon the better department stores were selling it. It was offered on its own merits, often alongside fine silver, at prices almost as high as, and in many instances higher than, the prices asked for silverplate.

Hands Across the Sea—And Tsubame Booms

After World War II, the U.S. occupation forces ordered some stainless steel flatware from manufacturers in Tsubame, a Japanese town. In 1949 American cutlery firms ordered more. One who saw the possibilities of Japan-made flatware was Norman J.

Mercer, president of The Englishtown Corp., N. Y. "We were the first to send machines and technicians to Japan," he told SM. "We sent engineers and they in turn sent their engineers to this country [to learn] our standards of quality, design, and production."

The Japanese flatware industry, concentrated at Tsubame, expanded and the town's population increased from about 15,000 to 50,000. Some of the city's output was inexpensive and of low quality, but an increasing percentage, made to specifications of American cutlery houses, was of excellent quality and compared favorably with the fine stainless flatware arriving from Europe.

New Homemakers, New Tastes, New Market

Meanwhile the number of new households established in the U.S. was skyrocketing. Unhindered by tradition, and predisposed toward casual living, young postwar families enthusiastically accepted stainless flatware. They liked its clean, modern lines and the fact that it requires no polishing. Older families were also buying it, usually as a second set or for outdoor eating, which had developed into a strong trend.



Flatware goes fashionable with Stainless Steel

Many's distinctive beauty to equal the most expensive silverware... yet practical for everyday use. Stainless steel is the accepted fashion in flatware—designed to appeal to your customers in a variety of exciting patterns by the country's leading manufacturers.

Flatware made of solid Armco Stainless Steel has no plating to wear off. It doesn't tarnish

and needs no polishing. The lovely, new-looking knives, forks and spoons last through a lifetime of use.

So beautiful and so reasonable in cost, stainless flatware offers you the perfect opportunity to build new customer traffic... higher dollar sales. Make sure you stock and feature the fashion in flatware—stainless steel.

ARMCO STEEL CORPORATION

MIDLAND, OHIO



SHEFFIELD DIVISION • ARMCO ORANGE & METAL PRODUCTS CO. • THE ARMCO INTERNATIONAL CORPORATION

SUPPORTING cutlery makers who use its stainless steel, Armco Steel Corp. recently ran this ad in Housewares Review.

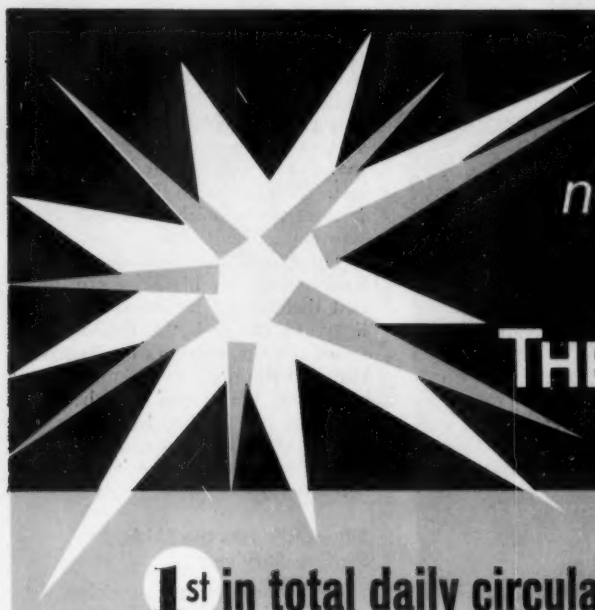
Reluctant U. S. Firms Adopt the Stepchild

U.S. silverware manufacturers were turning increasingly to the production of stainless steel, too. Their sales rose from 10.8 million dozen pieces in 1953 to 14.4 million in 1956. But sales of imported stainless were rising at a faster rate and had climbed to approximately one-third of the U.S. total by 1956.

Disturbed by this competition, 21 leading U.S. manufacturers of stainless steel asked for Government help; they wanted imports curtailed. They admitted their own sales of stainless flatware had risen, but said they were concerned for the future, especially since their volume of silverplate flatware was declining.

The Japanese said, in effect, that their exports to the U.S. had opened a new market for stainless and that the prosperity of Tsubame depended upon this for its survival; that the American producers, most of them large silverware manufacturers, were still producing sterling and silverplate, and that they also produced hollowware, which the Japanese were not making. The Japanese voluntarily agreed to cut their exports to this country to the 1956 level.

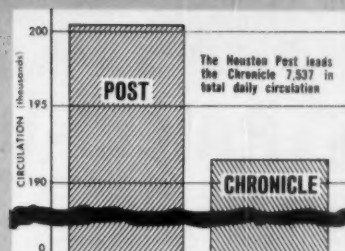
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new star in the Lone Star State— THE HOUSTON POST

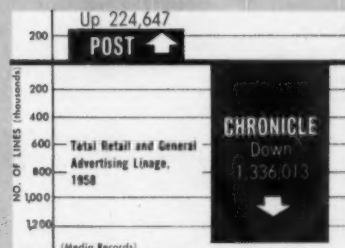
1st in total daily circulation

The Post now leads the Houston Chronicle 7,537 in total daily circulation. The Post: 200,551; the Chronicle: 193,014. (ABC Audit Report, 12 months ending September 30, 1958.)



1st in lineage gains

Both national advertisers and retail advertisers recognize The Houston Post as Houston's new leader. Last year total General Linage was up 18,274 lines; total Retail Linage jumped 206,376 lines. The two other Houston dailies sustained losses in both total General and total Retail Linage. The Post has led each year in advertising lineage gains since 1953. Source: Media Records.



1st in editorial excellence

This year The Houston Post won the coveted Community Service Award and three other first prizes to lead all other Texas newspapers in top awards in the 1958 Texas Associated Press competition. This marked the eighth time in 11 years that The Post has been honored for community service in the contest.



Today more people read The Post daily than any other Houston newspaper. Today more national and local advertisers pick The Post than ever before. Today for top quality coverage of the South's largest market it pays to pick The Post.

THE HOUSTON POST

Member of

W. P. Hobby, Chairman of the Board

Oveta Culp Hobby, President

Represented Nationally by Moloney, Regan & Schmitt

YOU CAN PENETRATE TO HIS CHECKBOOK . . .



Arch Robbins studies watershed conservation plans for spring and summer activities on his Tioga County, Pennsylvania, farm. As one of 102 co-operators in the Corey Creek Watershed, he has increased over-all production of his scenic, hilly farm nearly 50% in three years — proof that watershed programs build farmer buying power.

STRAIGHT-LINE ADVERTISING

Farmer Robbins pays special attention when your advertising appears in his own state farm paper, **PENNSYLVANIA FARMER**, where he finds information suited to his particular crops and conditions. Nine out of ten farmers in the state prefer **PENNSYLVANIA FARMER** to any other farm paper.

Preference for state farm papers is verified by agricultural college studies in Ohio, Iowa, Minnesota, Wisconsin, Missouri, Kentucky and New York.

These independent research studies prove that of all kinds of media, **PENNSYLVANIA FARMER** is the best way to sell the farmer.

Mr. Robbins is a prime prospect for you. He becomes even more deeply interested in your product when you use the "penetration points" of **STRAIGHT-LINE Advertising**. We can insert these sharp-selling factors in your regular advertising — quickly, at no cost — since we print by gravure!

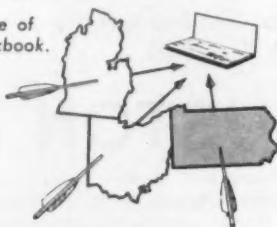
1. The right product for his *Pennsylvania* conditions — at the right time.
2. Photo of your product in use on a *Pennsylvania* farm.
3. Brief testimonial by a *Pennsylvania* user.
4. Local price, down payment and terms.
5. Local addresses and phone numbers for quick information.
6. Local address to send coupons — for fast, full information; fast buying action.

We print by gravure — there are no costly plates to remake. It's quick and simple to localize your ads!

Write for new 20-page illustrated booklet on **STRAIGHT-LINE Advertising** — the new science of penetrating to a farmer's checkbook.

Pennsylvania Farmer

Harrisburg, Pennsylvania



STRAIGHT-LINE Advertising service
available also in **THE OHIO FARMER** and **MICHIGAN FARMER**.

The Americans continued to press their case before the Tariff Commission, which recommended increasing duties by about 35%, a prohibitive figure. In desperation, the Japanese sent a delegation to America—the mayor of Tsubame and nine other men—bringing with them touching letters from schoolchildren, and a petition signed by 14,000 citizens.

The group failed to see President Eisenhower, but his aides saw them and their plight received wide publicity. In the end, the President rejected the Commission's recommendation that the duty on stainless be increased on the ground that the Japanese had promised to hold their volume of exports to this country to the 1956 figure. (They have kept to this agreement.)

Silverplate Hits the Skids, Sterling Survives

The increased use of stainless flatware has been achieved almost entirely at the expense of silverplate. No one seems to know just how far silverplate flatware sales have declined in dollars on an industry-wide basis. But the figures on unit sales show what happened: Industry volume on silverplate flatware in 1951 was 15,763 dozen. By 1956 it had dropped to 9,547 dozen, a decrease of about 40%. (Silverplate tea services and other hollowware are apparently less affected, if at all.) Sterling silver sales seem to have been little affected by stainless competition. Sales of sterling flatware and hollowware for 1957 totaled \$139 million, but the industry's predicted volume of \$154 million for 1958 was not reached. This is attributed to the recession and the decline, about 7%, in marriages.

► The Japanese have fared better under their self-imposed restrictions than they would have under increased duties. Their exports of stainless steel flatware for the first six months of 1958 were 9% higher than those of the comparable period in 1957. Though they sold less to the U.S. (19% less by quantity and 24% less by value), they sold nearly three times as much to Canada as during the comparable period of 1957.

As consumer demand for stainless flatware increased, more and more American manufacturers added stainless lines and began to promote them. (There were approximately 25 U.S. firms making stainless at the time of the Tariff Commission's investigation.) Retailers are featuring both domestic and imported merchandise. Today it is not unusual to find five or six advertisements of stainless flatware, by department stores and jewelers,



WHY UNITED'S EXTRA CARE CAN HELP YOU BOOST CONVENTION ATTENDANCE

Most important is the fact United makes it easy for your members to attend — fast, convenient service to major convention cities coast to coast and to Hawaii.

Next comes choice of service: luxurious Red Carpet* flights, the most glamorous travel in the sky. Or low-fare CUSTOM COACH with delicious food and "stretch-out" comfort. Also regular Air Coach.

Remember, too, every United Mainliner® is radar equipped to assure

your members of a smoother, more dependable flight.

Last, but not least, is United's personalized planning service to help you spark even greater attendance. And, in case you didn't know, United's reserved air freight guarantees space for shipping all your convention material economically and on time.

For full details, call United's nearest office. Or write M. M. Mathews, Mgr. of Convention Sales, United Air Lines, 36 S. Wabash, Chicago 3, Ill.



*Convention route
of the nation*

EXTRA CARE AT NO EXTRA FARE ON UNITED—THE RADAR AIRLINE

in a single issue of the Sunday New York Times.

The stainless trend reaches back, of course, to the producers of precious metals. The 1957 annual report for Handy & Harman contains this comment: "The weight of our shipments in 1957 declined moderately from the 1956 volume. This occurred for the most part during the second half of the year, our sales to both the arts and industries being affected. In the arts, most of the drop resulted from reduced production of silverplate ware, with both sterling silver and

karat gold holding up to approximately 1956 levels."

But high on the list of those with a stake in the growth of the stainless steel flatware industry are the producers of stainless steel in bar or strip form, who sell to domestic flatware and cutlery manufacturers. Their help has been needed, since there is great variety in stainless steels. What makes them stainless is the presence of chromium, in percentages ranging upward from 10 to 26. Some types contain both chromium and nickel. The quality of flatware depends both upon the kind of stainless steel from

which it is made and upon the processing, for example, the grading, or variation in thickness, from the end of the handles to the tip of the bowl of spoons or tines of forks. Finishing is also important.

With so many entering this field in the last few years, information has been widely needed. Typical of technical help offered is an article in *American Machinist*, July 4, 1955, "Stainless Flatware Proves That Beauty Results from Mechanized Polishing," which gives detailed instructions on finishing stainless flatware.

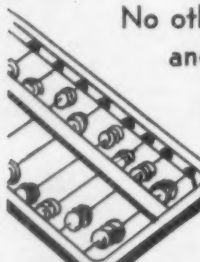
► The Committee of Stainless Steel Producers of the American Iron & Steel Institute provides various materials to educate retailers and to help them promote this tableware, which is still fairly new to many of them. One of its aids is a Sales Training Manual, which answers many questions. For example, on the composition of stainless steel: "... at least 11½% chromium ... [and] often, nickel. The popular '18-8' stainless (widely used) contains 18% chromium and 8% nickel." Commonly asked questions are answered by the Institute in folders for sales personnel and consumers.

A gesture by an individual member of the Institute "in support of our customers" (cutlery makers) was Armco Steel Corporation's advertisement in *Housewares Review*. Its illustration was a striking photograph of twelve spoon handles radiating from the statement in the center, "They're Armco Stainless Steel," and its headline, "Flatware Goes Fashionable With Stainless Steel."

"Nature makes it carefree—Oneida makes it beautiful" is the slogan used by Oneida, the largest national advertiser of stainless, the most active in promoting it and probably the largest domestic producer of such flatware. The Stainless Division of Oneida Silversmiths is headed by Robert W. Landon, director of sales, with L. I. Smith as sales manager. Distribution is primarily through wholesalers, with some key accounts sold direct.

Oneida has three lines of stainless: Oneidacraft Premier (\$7.95 per six-piece place setting, the top line); Oneidacraft Deluxe (\$4.75 per six-piece place setting, the medium line); and Oneida Stainless (\$8.95 for a 24-piece service for six). The firm also produces both premium goods and private brands for other companies.

Advertising of the two top lines, through J. Walter Thompson Co., appears in *Better Homes & Gardens*, *Good Housekeeping*, *Parents' Magazine*, *Living for Young Homemakers*, *Bride's Magazine*, and *Modern Bride*.



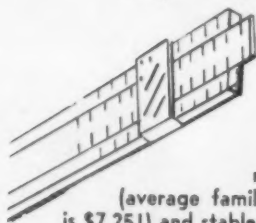
No other medium delivers the Columbus and Central Ohio market like the

Columbus Dispatch

FIGURES DON'T LIE...

check them for yourself:
CIRCULATION

Daily: 181,410 Sunday: 241,923



The Dispatch provides one of those happy situations that's just made for you ... The market is prosperous (average family spendable income is \$7,251) and stable ... AND Columbus is one of the established test markets of the nation! The Dispatch delivers this big market at a price that can't be matched by any other medium.

Optional combination rate with the morning Ohio State Journal available.

Representatives: O'MARA & ORMSBEE, INC.

THE "TOTAL SELLING" MEDIUM
IS THE DAILY NEWSPAPER

Columbus Has The Buying Power ... The Dispatch and Journal Have The Selling Power.



Columbus Dispatch

How to get more business right now:

"Me not call on the purchasing agent? I gotta eat, don't I?"

Even the least experienced industrial salesmen quickly learn that they have to call on the P.A. And the "pros" have known it for years!

Your advertising *must* constantly support both the "freshman" and the "pro" by regularly calling on the purchasing agent just as they do. It's the P.A. who decides what share of the business you get, if any at all!

PURCHASING Magazine is the ONE magazine the P.A. reads thoroughly — because it's the ONLY magazine edited completely to his informational needs. The editorial material in PURCHASING tells the P.A. HOW to buy — the ads help him decide WHAT to buy. See this spelled out in our new slide film, "You and the Purchasing Revolution."

PURCHASING MAGAZINE A CONOVER-MAST PUBLICATION

the methods and news magazine for industrial buyers
205 East 42nd Street, New York 17, New York



This year some 625 advertisers are using PURCHASING Magazine to keep purchasing agents informed about their products. No other magazine in the field comes even close to this record.



"Every now and then
I miss a good one!"
.....



In the new construction market, DODGE REPORTS can uncover them for you.

Have you ever figured the cost — in salesmen's time and missed opportunities — of blind sales calls and calls based on rumors? In some fields, it's the only way of getting business. But not in the new construction market! Not when you can use *Dodge Reports* to pinpoint active prospects...to guide the timing of sales calls...to help you concentrate on the jobs you know will be profitable.

Dodge Reports tell in advance who is going to build what and where, tell you who to see, when bids are wanted—even who else is bidding and who finally gets the job. You specify the area, types of jobs, and stages of progress you want to cover. Reports are mailed daily direct to you or your salesmen. *Dodge Reports* will cover all types of construction for you anywhere in the 37 Eastern States.

SEND FOR FREE BOOK

F. W. Dodge Corporation, Construction News Division,
119 West 40th St., New York 18, N. Y., Dept. H118
Send me the book "Dodge Reports — How to Use
Them Effectively" and let me see some typical
Dodge Reports for my area. I am interested in
the general markets checked below.

☐ House Construction ☐ General Building
☐ Engineering Projects (Heavy Construction)

Area _____

Name _____

Company _____

Address _____

City _____

Zone _____ State _____



Dodge Reports

For Timed Selling
to the Construction Industry

Business magazines used are: Jewelers' Circular-Keystone, National Jeweler, Southern Jeweler, Home Furnishings Daily, Department Store Economist, Housewares Review. Current emphasis is on Revere, a new traditional pattern.

► Newness is stressed in Oneida's stainless merchandising. New patterns are brought out once or twice a year, with new—and newsworthy—packaging, displays, point-of-purchase aids. For example, the new Revere pattern is packaged in maple-finished compartment trays. The Shasta pattern was selected after a consumer survey in which 30 patterns were studied.

Purchasers of Oneida stainless flatware are invited to register guarantees with the company, upon receipt of which the sales department sends each owner an attractive brochure for checking "Proper pieces for a pretty table" and photographs of table settings and flatware uses. The Guarantee which the purchaser fills in has blanks for checking such data as whether or not the set was a gift, who gave it, what influenced the choice of pattern, age of the owner, store where bought, etc.

Percentage-wise, the amount of stainless steel flatware sold directly to consumers through house-to-house canvassing is not large, but at least two firms in that field are doing well with it.

One is the Easterling Co., Chicago, which sells sterling silver, Bavarian china, cutlery and stainless (under the name of Tuscan Ware). The company reports: "Our stainless line was added almost three years ago. While we did not expect it to overtake our sterling sales, we have been gratified by its excellent reception. Sterling is still ahead of stainless by about two to one, but many women who are not sterling prospects have become stainless customers and some choose both sterling and stainless. Our promotion dollar is spent chiefly on material for distributors, but we have a modest magazine advertising program." Easterling's sterling and stainless are of domestic manufacture.

Pennsylvania Sales, Inc., Ambler, Pa., also sells, house-to-house, products for the home in aluminum, steel and china. W. C. Cook, spokesman for the firm, says it formerly handled silverplate from International Silver Co., but came to recognize the importance of stainless steel and now sells two "very modern patterns designed for us by Wallace. Sales have been wonderful during the past three years that we have had it.

(continued)



... and, last night, this newspaper wrapped up more blooming sales than any other evening paper in Western America! So, for the sweet smell of sales-success, be sure you schedule the...

Largest evening circulation in the West's biggest and best market! Represented nationally by Moloney, Regan & Schmitt, Inc.

LOS ANGELES HERALD-EXPRESS

"We sell directly to the consumer, mostly young, single, working girls, on the hope chest plan. Prices range from \$8 or \$9 a place setting to \$12 or \$13, depending upon the thickness or gauge of the metal, and the design and finish . . . We offer a customer a premium item for placing an order on our first call, a part of a set. Later, our distributor will sell a second order based upon the bonus item."

Another trend-indicator is the gradual increase in the amount of catalog space accorded stainless flatware by Sears Roebuck, in contrast to the decline in space for silverplate. Here are some figures:

Silverplate's 5 1/3 pages (29 patterns) in the spring 1956 catalog dropped to 3 1/3 pages (15 patterns) in the spring 1958 catalog. Stainless increased, in the same books, from 3 3/4 pages (seven patterns) to 5 pages (12 patterns).

High-quality stainless flatware is being used increasingly as premiums.

In October, General Mills enlarged its list of premiums available through coupons accompanying "over 40" of its products, with an offer of "Betty Crocker's new Twin-Star Stainless by Oneida." A full-page advertisement in This Week showed 15 different pieces, not standard spoons and forks

alone, but also gravy ladle, seafood fork, sugar spoon and so on.

An interesting feature was the "Get Acquainted" offer of a five-piece place setting for \$1.50, or three-piece setting for \$1, without coupons; the idea being that, once having started the collection, the customer would continue buying Betty Crocker products to round out her set. Another promotion idea: a choice of collecting quickly or more gradually, under the Speed Plan (few coupons, as little as two, plus more cash) or the Thrift Plan (10c per piece plus required number of coupons).

Says one market analyst: "It would be foolish for American manufacturers not to recognize that stainless is here to stay—and grow. Expert design and effective advertising and promotion can go far toward meeting foreign competition."

The figures prove consumer acceptance. The why was well summarized in the Tariff Commission's report:

"The growth in postwar sales of stainless steel table flatware is attributable partly to the trend toward modern house furnishings and décor, to which the simpler design of stainless steel table flatware is suitable.

"It is also attributable to the availability of this flatware at moderate prices, to its novelty, durability (silverplate ware, for example, is easily scratched and its plate eventually wears off), and to the preference of housewives for a type of tableware which requires little or no polishing."

► Brides traditionally represent the greatest market for flatware, crowding into the period before and after the wedding more buying than at any other time of life. A survey conducted five years ago by Modern Bride revealed that all interviewees had bought flatware or expected to buy it or to receive it as gifts; and 89% expected to buy some themselves.

The survey also showed that when buying would be completed, 66% would own sterling, 69% would own silverplate, and 65% would own stainless. (Most expected to own at least two kinds.) If a new survey were to be made this year, it is only reasonable to assume results would show lower figures on silverplate and higher figures on stainless.

The flatware industry is predominantly optimistic about the 1960's when wedding bells will peal for the bumper crop of World War II babies, now approaching maturity. Maybe there will be enough flatware business to keep all three segments of the industry busy. ♦

INTENSIVE

COVERAGE
OF BIG,
BOOMING
MEMPHIS

**METROPOLITAN
MEMPHIS**

163,930 FAMILIES

576,700 POPULATION

**198,757* Combined Daily
Circulation**

**121,275* Sunday
Circulation**

EXTENSIVE

COVERAGE OF THE
MEMPHIS MARKET

**TOTAL NET PAID
CIRCULATION**

Combined Daily Circulation
356,433

Sunday Commercial Appeal
255,182

ABC Publisher's Statement
3-31-58

Source: SRDS, 11-15-58
*ABC Audit 3-31-58

**76-COUNTY
TRADE AREA**

702,350 families

2,613,400 population

• **59% of all Families in the
61 Major Towns
(Excluding Memphis)**

**Buy one or both
Memphis daily
newspapers**

To Sell the South--You MUST Sell Memphis!

**THE
COMMERCIAL APPEAL
MEMPHIS
PRESS-SCIMITAR**

SCRIPPS-HOWARD NEWSPAPERS



Influence is a tired word—



Every publication claims influence, and has some — even the tattered time-killer in your dentist's office, and the comics book that sells the small fry on the space age or switchblades. But probably no other publication has so favorably affected the lives and fortunes of so many people for so long as **SUCCESSFUL FARMING**.

Back in the first decade of the century, **SUCCESSFUL FARMING**'s founder, E. T. Meredith helped foster the 4-H Clubs — as a means of inoculating farmers with new ideas and methods through their children.

SF offered to loan any youngster money for any approved 4-H project. These loans built up to a total of \$250,000, loaned to individual boys and girls. In addition SF provided direct support of more than \$100,000 to 4-H club work. Hundreds of thousands of farm children owed their first taste of success to the help received from **SUCCESSFUL FARMING**.

Today **SUCCESSFUL FARMING** is used as the textbook in high schools by 376,000 Vo Ag students each month, and is indoctrinating another generation of farmers.

On a million Midwest farms, SF has left its traces — in terraced and contour-plowed fields, wide row corn planting, crop rotation; in the improved layout of feed bunks, milking parlors, silo storage,



materials handling. It has done much to gain the extra hog per litter, the extra yield per acre through pest control, larger production of beef, hogs, milk and eggs in shorter time, at lower costs, larger profits. It makes money for its readers — and what better form of influence is there?

It has also revolutionized hundreds of thousands of farm homes with new kitchen centers, utility rooms, better planned living quarters — that save work and money, help the farm wife to better care for her family, and afford her leisure.

SUCCESSFUL FARMING has become an integral part of the lives and businesses of the country's best farmers, as much a part of their thinking and convictions as church, school, representative government. And its real influence gets extra reception and response for every advertisement that

appears on its pages.

SF farmers have averaged an estimated annual cash income of around \$10,000 for the past decade. And in 1958, during the industrial recession, their incomes advanced sharply. Farm families are spending more than they have in years.

If you want business, **SUCCESSFUL FARMING**'s audience has a lot to give. And no medium can match the productivity of **SUCCESSFUL FARMING** in its own field. Get the details from any SF office.



Meredith of Des Moines . . . America's biggest publisher of ideas for today's living and tomorrow's plans.



19% more optimism —

Successful Farming for January 1959

carried 19% more advertising
than the same issue a year ago —
reflecting increased farm income.

SF families farm cash income,
over \$10,000 in recent years,
was higher in 1958.

You have a choice class market
in this one magazine —
with unmatched influence in its field.

For better business this year,
better balance in national advertising,
sell SF's 1,300,000 farm families.

Details from any SF office.

Successful Farming . . . Des Moines, New York, Chicago, Atlanta, St. Louis,
Cleveland, Detroit, Philadelphia, San Francisco, Los Angeles, Minneapolis.

How 112 Top Sales Chiefs Are Paid

- How much is aggregate income of each?
- How many have bonuses, stock options, profit sharing?
- Do they have retirement benefits?
- How were their incomes affected by the '58 recession?

Russian executives are just as touchy about disclosing their incomes as are their counterparts in the United States.

"Karsov [assistant director of the Likhatchov Auto Works, in Moscow] seemed to resent the question when I asked how much he earned," reports Irving R. Levine, the National Broadcasting System's correspondent in Moscow, in his just published book, "Main Street, U.S.S.R."

"When I told him that some large corporations publish the salaries of their executives in public reports to stockholders, he agreed to tell: 'My monthly salary amounts to 5,000 rubles (\$500) besides bonuses.' In a good year, when the plant overfulfills its production targets, Karsov's bonus can increase his salary by 50%."

In the United States, if you are lucky enough to make at least \$30,000 and are among the top three highest paid officials in your company, and if the stock is publicly held, you will find your company must disclose your income to stockholders, private matter or not.

So, once again, in preparing this report on earnings of sales executives we have turned to public sources, open to all. These data are taken from proxy statements sent to stockholders in advance of annual meetings. Sales Management therefore is not "invading the privacy" of these men; their earnings are public knowledge to millions of shareholders.

Median average compensation of these 112 sales executives is \$53,125. Median average reported in the Aug. 17, 1956 Sales Management study was \$52,500.

The arithmetic or mean average is \$61,852 vs. \$60,305 in 1956.

Earnings of individual sales executives frequently are tied to the earnings of their companies. How, then, did sales chiefs fare during the 1958 recession? Soon, using the compensation figures for these 112 executives in charge of sales as your guide,

you will be able to see how they made out.

For example, the two principal sales chiefs of Brown Shoe Co., whose earnings for 1958 were disclosed in the company's proxy statement in advance of the 1959 annual meeting, bettered themselves.

The vice president in charge of marketing, A. C. Fleener, had a 1958 aggregate remuneration of \$46,375. His comparable 1957 income, as shown in the table on page 95, was \$45,000.

The vice president in charge of sales, Louis J. Schaefer, had his 1958 aggregate remuneration rise to \$40,250, from his 1957 income of \$35,833.

Both incomes, of course, are before computation of Federal and state income taxes, or allowances for deductions.

Fleener and Schaefer showed additional faith in their company. The new Brown Shoe proxy statement shows that Fleener increased his stock holdings from 10,725 shares to 10,875. Schaefer's share holdings rose from 5,050 to 5,650.

► Starting next week and continuing through May, many companies will release their proxy statements, disclosing details of the earnings, pensions, stock options, retirement benefits, and other inside information on their principal executives.

These are key points to look for: Will stock options to key executives continue to be popular? Many firms, in 1957 for the first time, proposed stock options.

Will companies offer both key employees, and all company employees, some form of "cooperative" incentive? Such plans vary from company to company, but in general they involve a pledge by the company to contribute a percentage toward a fund, if the employee will contribute his share.

Will more sales executives be

elected to the board of directors? (Of the 112 sales chiefs listed in the tables on pages 95, 96, 98, 100, 102, 84%, or 94, are directors.)

What will be the company's preference in job title for the top man in sales?

Note that of the 112 sales chiefs in this listing, 52 have the plain title, "vice president." That is 46%.

Second largest title group has the word "sales" in the title, for example, the long familiar title, "vice president in charge of sales." Exactly 27 executives favor this title. That is 24%.

Third largest group is the "executive vice president." This includes 14, or 12%.

Fourth largest, surprisingly, is the executive with the word "marketing" in the title. But only 9, which is 8%, prefer this designation.

Fifth group is the "senior vice president." Six out of the 112, or 5%, have this title.

Sixth group consists of other titles, including president.

This inspection of titles discloses one obvious need for reform. Aren't stockholders entitled to know the principal job responsibilities of their executives? Is plain "vice president" sufficiently descriptive?

The sales executive is charged with producing the company's income. But most shareholders—looking at their proxy statement—would have to guess the identity of the executive to praise—or damn. Companies say little, either, about sales in their annual reports. (See "Blind Spots in Annual Reports, Sales Management, Jan. 16, 1959, page 57.)

Most companies have time to make the titles meaningful in their proxy statements preceding the calls for their 1959 annual meetings. Inasmuch as, by law, corporations must disclose much more private affairs of all of their key executives, why shouldn't they be proud to disclose the full job function of these executives?

Compensation Plans for 112 Top Sales Executives

Company	Date of Proxy	Individual and Title	Director Since	Gross Aggregate Remuneration	Retirement	Bonus	Shares Common Stock Owned	Stock Options	Additional Compensation Plans
AIR TRANSPORT'N									
Delta Air Lines, Inc.	9/10/57	Laigh C. Parker V. P., Traffic and Sales	1945	37,333	yes		1,875		
United Air Lines, Inc.	3/25/58	R. E. Johnson Sr. vice president	1954	50,000	yes		2,266	yes	
AIRCRAFT									
Boeing Airplane Co.	3/3/58	Wellwood E. Beall Senior V. P.	1945	83,660	yes	yes	4,703	proposed	
Douglas Aircraft Co., Inc.	3/21/58	Nat Paschall V. P. Charge of Sales	1953	48,463	yes		2,095		
Lockheed Aircraft Corp.	4/7/58	Carl B. Squier Vice President	1935	63,502	yes	yes	2,497		
The Martin Co.	3/19/58	Jess W. Sweetser Vice President		49,000	yes	yes	7,000	yes	
APPAREL AND SHOES									
Brown Shoe Co.	12/14/57	A. C. Fleener Vice president charge Marketing	1947	45,000	yes		10,725	yes	
	12/14/57	L. J. Schaefer Vice president charge Sales	1954	35,833	yes		5,050	yes	
Endicott Johnson Corp.	2/7/58	Lawrence Merle Vice president and Sales Manager	1927	57,930	yes		2,350		
Genesco	2/5/58	M. S. Wigginton Vice president	1946	36,350	yes	yes	6,653	proposed	
Hart Schaffner & Marx	3/3/58	John D. Gray Vice president charge merchandising, Hart Schaffner & Marx, and President, Wallach's	1952	62,600	yes		250		
BEVERAGES									
Pepsi-Cola Co.	3/31/58	Richard H. Burgess Vice president charge domestic sales		50,000	yes			yes	
Publicker Industries, Inc.	4/2/58	John L. Leban Vice president		75,000					
BUILDING MATERIALS									
The Philip Carey Mfg. Co.	3/7/58	E. C. Faulkner V. P., Central, Southwestern and Western Divs.	1956	35,540	yes		5,346		
Fedders Corp.	11/22/57	U. V. Muscio Executive vice pres.	1955	43,801			1,400		
Ideal Cement Corp.	3/18/58	H. B. Bolton V. P., Administration, General Sales Mgr.		45,915	yes			yes	Employee Stock Purchase
Masonite Corp.	10/23/57	P. B. Shoemaker Vice president	1954	52,230	yes		1,607	yes	Profit Sharing
National Gypsum Co.	3/21/58	J. W. Brown Senior vice president	1955	47,378	yes		3,050	yes	
U.S. Gypsum Co.	4/7/58	H. F. Sadler Vice president	1946	75,000	yes		850		
U.S. Plywood Corp.	8/14/58	Monroe W. Pollack Vice president	1942	47,990	yes		6,334	yes	

Compensation Plans for 112 Top Sales Executives

(continued)									
Company	Date of Proxy	Individual and Title	Director Since	Gross Aggregate Remuneration	Retirement	Bonus	Shares Common Stock Owned	Stock Options	Additional Compensation Plans
BUSINESS MACHINES									
Addressograph-Multigraph Corp.	10/19/57	William H. Wilson Vice President		43,125	yes	yes			Cooperative Plan
	10/19/57	Berg L. Meyers Vice President		43,125	yes	yes			
Burroughs Corp.	4/8/58	Ray R. Eppert ¹ Executive V. P.	1948	120,033	yes		5,800	yes	
Royal McBee Corp.	10/19/57	H. Carl Davis V. P., Marketing	1949	50,750	yes		1,752	yes	
CHEMICALS									
Hooker Electrochemical Co.	5/1/58	R. E. Wilkin V. P. Director Sales	1955	51,145	yes		1,800	yes	
Interchemical Co.	3/13/58	Bromwell Ault Vice President	1928	48,200	yes	yes	6,790		
DRUGS AND COSMETICS									
Abbott Laboratories	3/10/58	Herbert S. Wilkinson V. P., Director Sales	1951	38,348	yes		629	yes	
Colgate-Palmolive Co.	3/22/58	Stuart Sherman Vice President	1948	58,500	yes	yes	5,000	yes	
Vick Chemical Co.	9/26/58	H. A. High Senior Vice President	1943	47,909	yes	yes	422	yes	
FIREARMS									
Remington Arms Co.	3/28/58	Maxwell R. Warden President, General Mgr.	1953	250,840	yes	yes	4,000 Remington		
FOODS									
American Sugar Refining Co.	3/17/58	Joseph W. Mooney Vice President	1955	70,417	yes		500		Profit Sharing
Archer-Daniels-Midland Co.	9/26/58	J. W. Moore Vice President	1945	50,000	yes		2,313		
The Best Foods, Inc. ²	8/25/58	William A. Schroeder V. P. Charge Sales	1953	43,175	yes		260		
California Packing Corp.	5/22/58	Irving H. Granicher V. P.-Marketing	1950	50,775	yes		1,212		
Continental Baking Co.	2/20/58	Cedric Seaman Vice President	1943	54,600	yes		2,240	yes	
Foremost Dairies, Inc.	3/28/58	P. Reid Oliver Executive V. P.	1957	55,000			1,090	yes	
General Baking Co.	3/7/58	J. Frank Weir Vice President		33,000	yes				
Gerber Products Co.	6/24/58	Joseph H. Bagley V. P.-Marketing	1948	51,326	yes		3,450		
Hawaiian Pineapple Co., Ltd.	8/1/58	Hal M. Chase Vice President		50,000				yes	
John Morrell and Co.	2/14/58	Henry T. Quinn Vice President	1952	30,500	yes	yes	825		
Quaker Oats Co.	9/30/57	William G. Mason Vice President	1953	57,100	yes		1,580	yes	Employee Stock Purchase
Standard Brands, Inc.	3/19/58	Albert R. Fleischmann Vice President	1953	75,000	yes		1,025		
Wm. Wrigley Jr. Co.	2/20/58	A. G. Atwater Vice President	1954	41,746	yes		3,602		
FURNITURE AND HOUSE FURNISHINGS									
Corning Glass Works	3/14/58	Charles D. La Follette V. P., Treasurer	1946	59,057	yes		14,756	yes	Cooperative Plan
Simmons Co.	3/18/58	John W. Hubbell V. P. Charge Merchandising and Advertising	1953	55,000	yes	yes	810	yes	

¹ now president

² prior to merger with Corn Products Refining Corp.

2nd Annual Good Housekeeping Week shows **SALES ACTION IN FORT WORTH**

**"MERCHANTS MORE ENTHUSIASTIC
THAN EVER ABOUT SALES INFLUENCE
OF GUARANTY SEAL"** says Jack Campbell,
Advertising Manager of Fort Worth Star-Telegram,
co-sponsor of record-breaking event.

- When a promotion is good enough to repeat, then it's a proved success. And that's why the merchants of Fort Worth voted overwhelmingly to try to top last year's excellent figures on Good Housekeeping Week.

HERE ARE THE RESULTS:

- 36 ad-packed pages in two special supplements.
- 107 merchants representing 309 outlets participating.
- More than 61,026 lines of paid newspaper advertising.
- Better than 97,000 tie-in coupons deposited in local stores, bringing the customers in to buy.
- 266 Good Housekeeping advertised products pushed by local advertising, plus store and window displays.
- Mayor McCann proclaimed Good Housekeeping Week.

PROOF AGAIN that the Good Housekeeping climate of confidence can work sales magic. Put that unique confidence to work for your product, today.



WYATT



COX'S



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Good Housekeeping

A HEARST MAGAZINE



Creates A Climate Of Confidence For Your Advertising

Compensation Plans for 112 Top Sales Executives

(continued)									
Company	Date of Proxy	Individual and Title	Director Since	Gross Aggregate Remuneration	Retirement	Bonus	Shares Common Stock Owned	Stock Options	Additional Compensation Plans
INDUSTRIAL—Miscellaneous									
Air Reduction Co., Inc.	3/24/58	Charles D'W. Gibson Vice President	1947	62,100	yes		3,700	yes	Cooperative Plan
American Metal Products Co.	3/25/58	E. Wright Yount Vice President	1954	50,000	yes	yes	1,400	yes	
Federal-Mogul-Bower Bearings, Inc.	3/28/58	R. S. Strickland V. P., Sales and Marketing	1955	45,000	yes		9,218		
Minnesota Mining & Mfg. Co.	4/11/58	Louis F. Weyand Executive V. P.	1950	99,250	yes		70,985 ^a	yes	Profit Sharing
Rheem Mfg. Co.	3/14/58	C. V. Coons Executive V. P.	1950	57,000	yes	yes	303	yes	Profit Sharing
The Trane Co.	2/24/58	Thomas Hancock Exec. V. P., Assistant Secretary and Associate General Mgr.	1955	54,000	yes		4,500	yes	Cooperative Plan
The Udylyte Corp.	3/10/58	Lawrence V. Nagle Executive V. P.	1951	52,500	yes		2,679		Profit Sharing
U. S. Pipe and Foundry Co.	3/10/58	C. S. Northen V. P.-Sales	1952	59,355	yes		900	yes	
JEWELRY									
Bulova Watch Co., Inc.	6/16/58	Emanuel Hochman Vice President		55,000	yes			yes	
MACHINERY									
Blaw-Knox Co.	3/17/58	William Rodgers Vice President	1956	59,000	yes		3,822	yes	
Combustion Engineering, Inc.	4/1/58	Donald S. Walker Vice President	1955	50,900	yes		1,700		
The Cooper-Bessemer Corp.	3/29/58	S. E. Johnson, Sr. Vice President, Dir. Sls.	1945	36,317	yes		2,486		Cooperative Plan, Profit Sharing
	3/29/58	C. M. Reagle V. P., District Sls. Mgr.	1930	33,017	yes		1,610		Cooperative Plan, Profit Sharing
Cummins Engine Co., Inc.	3/17/58	C. R. Boll V. P., Sales	1956	38,962	yes	yes	1,123	yes	
Foster Wheeler Corp.	4/3/58	W. L. Martwick Vice President	1945	45,220	yes		300		
Wagner Electric Corp.	2/24/58	H. N. Felton Vice President		54,000	yes			yes	
NON-FERROUS									
American Metal Climax, Inc.	4/3/58	Jean Vuillequez Vice President	1956	56,000	yes		5,752		Cooperative Plan, Profit Sharing
American Smelting and Refining Co.	3/17/58	Simon D. Strauss Vice President	1953	51,596	yes		537	yes	Cooperative Plan
Revere Copper and Brass Inc.	3/26/58	R. P. Winberg Vice President	1953	53,000	yes		1,200	yes	
PAPER PRODUCTS									
The Champion Paper & Fibre Co.	6/30/58	Herbert W. Suter Vice President	1931	113,371	yes		25,108		Profit Sharing
Crown Zellerbach Corp.	3/17/58	G. J. Ticoulat Senior V. P.	1957	60,900	yes		8,445	yes	
Scott Paper Co.	3/25/57	Harrison F. Dunning Vice President	1955	50,864	yes		1,903	yes	Cooperative Plan
	3/25/57	G. Willing Pepper Vice President	1940	50,889	yes		4,939	yes	Cooperative Plan

^a includes 33,264 shares owned by wife and 15,920 owned by children and grandchildren

Compensation Plans for 112 Top Sales Executives

(continued)									
Company	Date of Proxy	Individual and Title	Director Since	Gross Aggregate Remuneration	Retirement	Bonus	Shares Common Stock Owned	Stock Options	Additional Compensation Plans
PETROLEUM, GAS, COAL									
The Atlantic Refining Co.	3/31/58	D. T. Colley V. P., General Manager of Marketing	1949	71,500	yes		1,472	yes	Cooperative Plan
Island Creek Coal Co.	3/31/58	Carlton R. Mabley, Jr. V. P. Charge of Sales		55,000	yes		2,050	yes	
National Cylinder Gas Co. ²	3/31/58	Fred C. Heppel Vice President	1938	50,200	yes		7,900	proposed	
Richfield Oil Corp.	3/27/58	W. G. King, Jr. Vice President	1957	53,250	yes		1,050	proposed	
Socony Mobil Oil Co.	4/19/58	V. A. Bellman Director, Domestic Marketing	1956	75,000	yes		810		Cooperative Plan
Standard Oil Co. (Indiana)	4/1/58	Dwight F. Benton V. P., Sales	1949	94,500	yes		12,948	yes	Cooperative Plan
	4/1/58	Alton C. Sailstad General Mgr., Sales	1951	78,333	yes		2,227	yes	Cooperative Plan
Standard Oil Co. (Ohio)	3/21/58	S. H. Elliott Vice President	1949	69,129	yes	yes	1,031	yes	Cooperative Plan
Sun Oil Co.	3/28/58	Willard W. Wright Vice President	1952	73,905			1,812		Cooperative Plan
PUBLISHING									
The Curtis Publishing Co.	3/20/58	Edward C. Von Tress Sr. V. P. and Director of Advertising		56,473	yes				Cooperative Plan
RADIO—TELEVISION									
The Magnavox Co.	9/26/58	Leonard F. Cramer V. P.—Radio and TV Div.		50,000	yes				
P. R. Mallory and Co., Inc.	3/24/58	Ray F. Sparrow Executive V. P.	1936	61,929	yes		23,166	yes	Profit Sharing
Philco Corp.	3/12/58	John M. Otter Exec. V. P., Marketing	1950	50,000	yes		8,504	yes	Profit Sharing
Radio Corp. of America	3/1/58	Charles M. Odorizzi Exec. V. P., Sales and Services	1957	100,000	yes	yes	1,426	yes	Profit Sharing
Zenith Radio Corp.	4/1/58	Leonard C. Truesdell V. P., Dir. of Sls.	1959 ⁴	106,503	yes	yes			Profit Sharing
RUBBER									
The General Tire and Rubber Co.	3/3/58	L. A. McQueen V. P. Charge of Sales	1945	83,000	yes		8,136	yes	Cooperative Plan, Profit Sharing
The Mansfield Tire and Rubber Co.	3/15/58	Edward E. Stevens Vice President	1945	36,200	yes		400 ⁵	proposed	
U. S. Rubber Co.	3/5/58	Chester J. Noonan Vice President		130,407	yes				
STEEL AND IRON									
Acme Steel Co.	4/1/58	G. Findley Griffiths Vice President	1954	47,908	yes	yes	600	yes	Profit Sharing
Alan Wood Steel Co.	3/21/58	Perry L. Francis V. P. Charge of Marketing		44,240	yes	yes			
Armco Steel Corp.	3/11/58	L. T. Johnson Vice President		116,283	yes				Cooperative Plan
Carpenter Steel Co.	10/1/58	H. Sturgis Potter Vice President	1955	37,500	yes		276	yes	
Crucible Steel Co. of America	3/11/58	W. H. Wiewel Sr. Vice President	1949	40,000	yes		952	yes	

⁴ nominated for director

⁵ new name: Chemetron Corp.

⁶ elected Jan. 29, 1959

⁷ wife, children and trust fund own 14,150 shares

Week after week, more

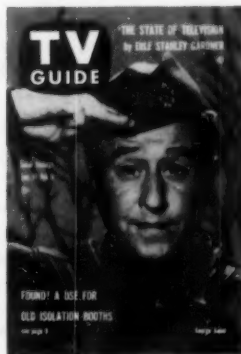
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*Publishers Estimate

Compensation Plans for 112 Top Sales Executives

(continued)									
Company	Date of Proxy	Individual and Title	Director Since	Gross Aggregate Remuneration	Retirement	Bonus	Shares Common Stock Owned	Stock Options	Additional Compensation Plans
Granite City Steel Co.	3/31/58	James L. Hamilton, Jr. Exec. V. P. and General Manager of Sales	1953	61,407	yes		1,000		
Inland Steel Co.	3/28/58	John F. Smith, Jr. Vice President*	1956	106,240	yes		689	yes	Cooperative Plan
Jones & Laughlin Steel Corp.	3/26/58	J. E. Timberlake Vice President	1955	72,500	yes		3,417		Cooperative Plan
Lukens Steel Co.	3/14/58	J. Frederic Wiese Vice President		40,001	yes	yes			Profit Sharing
National Malleable & Steel Castings Co.	3/3/58	Wilson H. Moriarty Vice President	1945	66,289	yes		1,571	yes	Cooperative Plan
Republic Steel Corp.	4/8/58	Norman W. Foy V. P. Charge of Sales	1956	157,500	yes		5,300		Cooperative Plan
Sharon Steel Corp.	3/26/58	David B. Carson Executive V. P.	1956	65,000	yes		1,000	yes	
TEXTILES									
American Viscose Corp.	4/1/58	Harry L. Dalton Vice Chairman of Board	1936	75,000	yes	yes	1,292	yes	Cooperative Plan
James Lees & Sons Co.	3/26/58	Joseph H. McFarland Vice President	1949	45,765	yes		1,050		
Mohasco Industries Inc.	3/21/58	Francis I. Monahan Vice President-Mohawk Sales	1942	45,000	yes		2,460	yes	
J. P. Stevens and Co., Inc.	2/4/58	Campbell D. Garrett Vice President	1949	76,667			19,100		Employee Stock Purchase
	2/4/58	John M. Hughlett Vice President	1951	60,709			1,130		Employee Stock Purchase
	2/4/58	Andrew J. Sokol Vice President	1949	76,667			18,815		Employee Stock Purchase
TOBACCOS									
American Tobacco Co.	3/1/58	Robert B. Walker V. P. and Director of Sales	1955	57,577	yes	yes	410		
Liggett & Myers Tobacco Co.	2/21/58	W. B. Lewis, Jr. V. P. and Sales Manager	1954	163,341	yes		900	yes	
P. Lorillard Co.	2/28/58	Harold F. Temple* Vice President and Director of Sales	1943	36,000	yes	yes	1,450	proposed	
TRANSPORT'N AND PARTS									
The Electric Auto-Lite Co.	3/27/58	T. W. Flood Vice President		39,050	yes			yes	
General American Transportation Corp.	3/21/58	Cyrus L. Philipp Vice President	1939	42,300	yes		4,490	yes	
Gould-National Batteries Inc.	7/15/57	Maurice W. Heinritz V. P. Charge of Industrial Sales		41,323	yes				
Mack Trucks, Inc.	3/21/58	E. G. Ewell V. P., Sales	1956	55,000	yes		2,320	yes	Cooperative Plan
Rockwell Spring and Axle Co.	3/21/58	C. B. Black Executive V. P.	1945	102,500	yes		2,000		

* elected president, January, 1959, see page 36 this issue
 * now president

We'll be glad to send you the

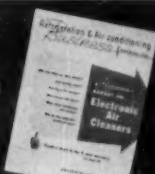
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7. A discussion of the markets for gears, speed reducers, bearings, couplings, clutches and power transmission devices — #221D

OCCUPATIONAL HAZARDS



12. The Market For Floor Cleaning Machines
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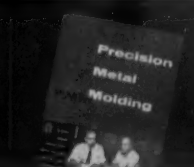
MATERIAL HANDLING ENGINEERING

MATERIAL HANDLING ILLUSTRATED



8. How Does Industry Buy Material Handling Equipment in Cleveland — #230F
9. Material Handling Reader Response Study — #163F

PRECISION METAL MOLDING



14. Relation Of Die Casting Sales to Inquiries — #174P
15. Precision Metal Molding Production Data Book For 1958 — #143P

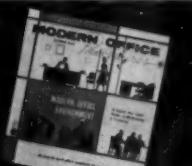
APPLIED HYDRAULICS & PNEUMATICS



5. Market Study for Valves and Solenoids
6. Market Study For Fluid Lines & Cylinder Tubing

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MODERN OFFICE PROCEDURES



10. Characteristics of The Market For Office Equipment — #144M
11. How Office Publications Cover The Market For Office Products

INDUSTRY & WELDING ILLUSTRATED



16. A Study Of The Nation's Leading Independent Welding Supply Distributors — #237W
17. Welding — Study Of Reader Buying Power — #189W



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BORDEN and BUSSE in

OPENING the SALE

A BRAND-NEW 16mm. SOUND MOVIE

This new half-hour film is dedicated to one proposition—*"In the field of selling there is only one handicap worse than inability to close. It's the inability to begin."*

The picture demonstrates certain skills any salesman can use to improve the effectiveness of his approach. It is particularly helpful to the salesman who is slow about going after new business.

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Getting Personal With:

A Happy Salesman...

"Joe likes selling. He doesn't talk about 'hard sell' or 'soft sell' and he says there is no such thing as high-pressure selling nowadays. 'Only one in a hundred can be shoved up against the wall and made to buy.' He firmly believes in the E. R. Moore Co. and its products, and he wants the customers to have what they want. 'You work for both the company and the customer.'"

"Joe" is Joe Schoenhof. He lives in Crestwood, just outside of St. Louis. But he's seldom there. Joe is a traveling salesman for E. R. Moore "selling choir robes and girls' gym suits, renting academic caps and gowns and confirmation robes. His territory is all of Missouri, the southern half of Illinois and the city of Memphis, Tenn." Fortune, in January, profiled this "Missouri Salesman" with Sales Management's photographer, Guy Gillette, showing Schoenhof working his territory.

"Most of his success, Joe says, comes from being 'sincere,' and knowing how to organize his work, which

means, among other things, mapping routes to get in the maximum number of calls per mile." The Chicago company rates Joe "close to the top of its 33 salesmen."

"Joe uses only a few tricks. One is always to leave something with the prospective customer — a couple of sample choir robes, some swatches of material — to give him an excuse to go back. 'Never let them say I'll contact you. Always leave the door open.' He takes only a few samples, carefully chosen to fit the needs of the school or church. 'If you take too many they get confused and won't make up their minds . . .'"

"By 1960 there will be a record number of high school students and his business is bound to boom.

" . . . and Joe thinks that pretty soon they will have to appoint district sales managers and supervisors and a director of sales training. . . . How would he like one of those jobs? 'I like selling,' says Joe, 'but I can't believe I'd ever turn down a promotion.'"

...and a Salesman's Unhappy 'Widow'

"I hate to go to bed alone. . . . To wake up and hear a child crying—and to have to make decisions alone—that's one of the worst things. . . . I'm always afraid when Ed's away."

But Betty Rogers is often alone in her Winchester, Va., home. Her husband, Edwin Lloyd Rogers, is selling through Virginia, West Virginia and Maryland from Monday morning to Friday evening for the Union Underwear Co., a subsidiary of Fruit of the Loom. The fears of this salesman's "Weekend Wife . . . Weekday Widow" are detailed in February's Ladies' Home Journal.

"Sometimes I'm more afraid than I am at other times. I'm always nervous when I'm pregnant, and when I was having Kirk I was terribly nervous. I wasn't so much afraid for myself—but I kept lying awake worrying about the morning when the children might come in and find me murdered, all slashed—Oh, I had terrible thoughts! And I couldn't bear it: how long

would they have to cry before someone heard them? . . ."

"And who would want to rob us? We've nothing. And anyway the windows are high about the ground and the doors have good strong bolts. Of course someone could cut the screen porch door—but I don't see that happening. And anyway, somewhere, sometime, we have to trust in God . . ."

"I'm not neurotic . . . I miss my husband because I love him. I want to be with him every day and not just on weekends."

Betty's husband would also like to spend more time at home. He'd like a better territory which would call for less travel. "But I don't look for anything like that for several years," he says. "In the meantime, I like selling and I like the company I work for, and I guess everything's all right now with Betty. She doesn't complain any more, and she's doing fine with the children. So what's there to worry about?" ♦



Of course I'm sure.
I read it
in Newsweek

Newsweek readers have the highest median income for any audience of a Starch-rated magazine with over a million circulation. The *cream* of the consumer market! Their purchases influence their neighbors' . . . and almost three quarters of Newsweek's readers influence business purchases, too!

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Dynamarketers:

(One of a series on today's product pioneers who are sowing tomorrow's new major markets.)

Fedders Foils Fahrenheit With Year-Around Heat Pump

Reverse-cycle, all-season, automatic heating and cooling lengthens air-conditioning sales year, and may grow to be next decade's big new "major appliance." In the year 1958 "pumps" were 25% of Fedders' volume. Currently they account for 80%.

In sales parlance, the heat pump is "hot."

The fact that in warmer weather it reverses automatically also to cool, dealers have found, makes this plus factor, for both room and central air-conditioning, a "hot" line the year-around.

Just two cold winters ago, Salvatore Giordano, president of Fedders Corp., New York, personally guinea-pigged a forthcoming line by replacing his office radiators with a plug-in pump, extracting heat from the cold air outside his window.

In fiscal 1958, ended last August 31, 25% of Fedders' volume in both room and central air-conditioners was in heat pumps.

In January 1959, Fedders made a two-day check of consumer mail-back warranty cards: 80% of those retail sales were heat pumps.

Come summer, the ratio may dip a bit. Some folks still will buy air-conditioning for cooling alone. But distributors and dealers are sure that Fedders, long-time leader in unit air-conditioning, has started something large and lasting . . .

A year ago, in a spread in Reader's Digest, Fedders made its heat pump debut by reporting that Giordano thrived on his experience. Fedders became the first manufacturer to introduce a plug-in room heat pump.

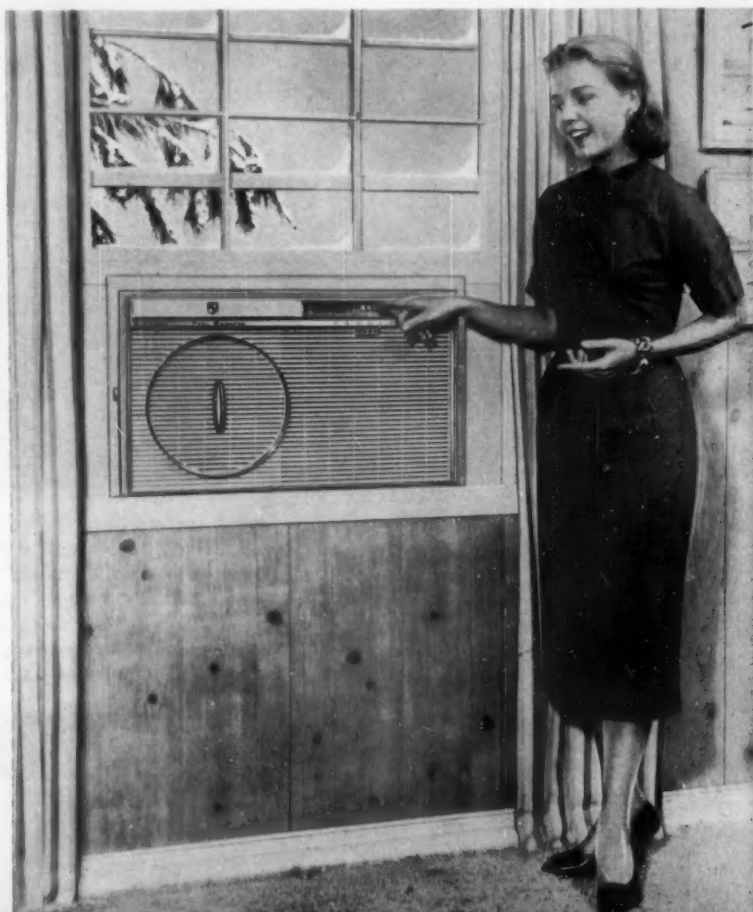
This device, which looks like a window-type air-conditioner, Fedders explains, "cools without water in the

summer, heats without fuel in winter, and reverses automatically as temperatures dictate."

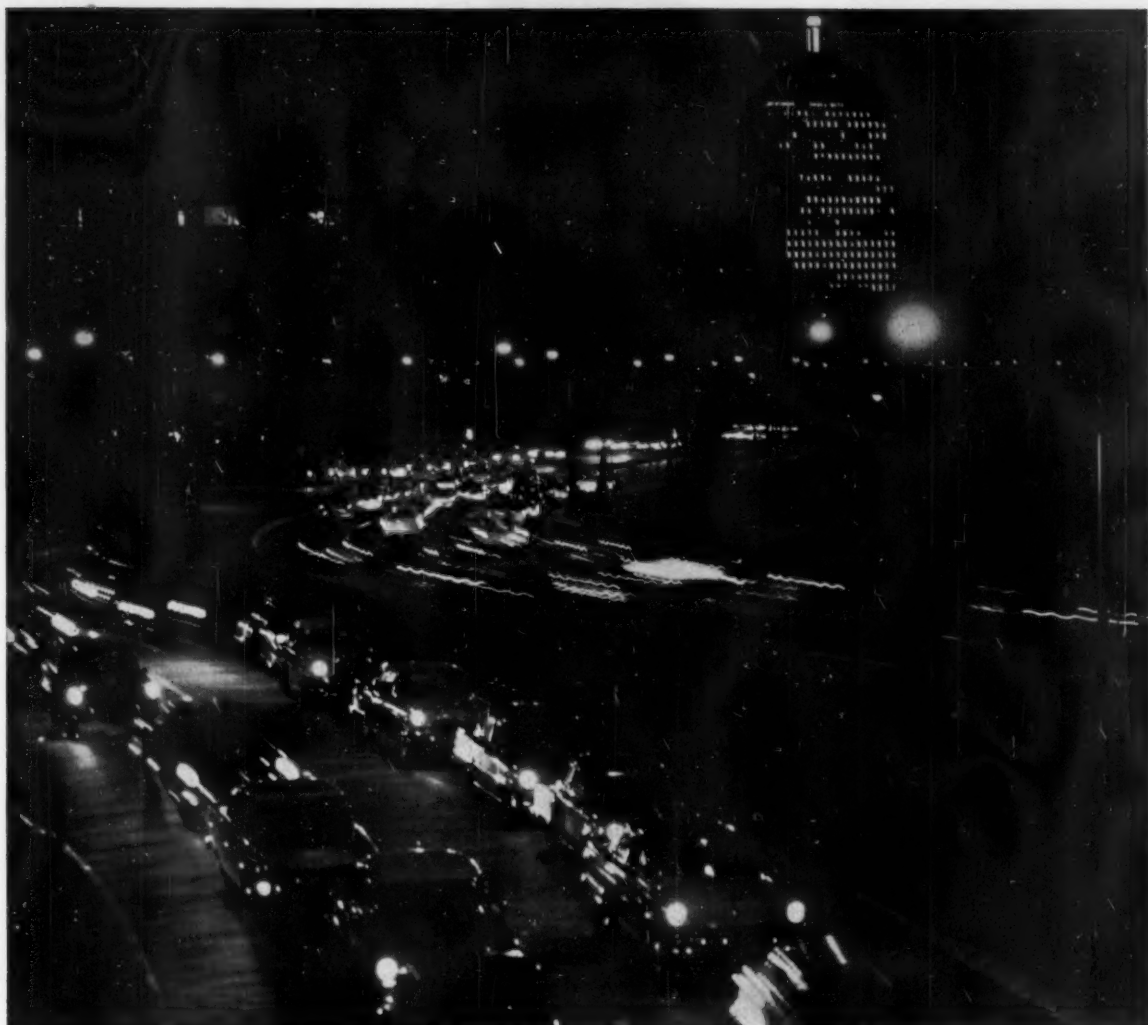
The principle: Heat stays in all air down to absolute zero—about 460 degrees below zero, Fahrenheit. A cold object extracts heat from a warmer one. "The heat pump air-conditioner," Fedders says, "simply brings the outside air into contact with something colder—in this case a

refrigerant; extracts heat from it, and pumps the heat into the room."

Costs of this heat are "surprisingly little more than costs of operating an ordinary summer air-conditioner. Some room-type models can provide up to 10,000 BTU's of heat when it is zero outside—as much as a radiator in a central heating system." Costs of Fedders' two "central" models, fully installed, are about



FOUR-SEASON air-conditioning is a feature of this Fedders unit. One setting of a dual thermostat will turn automatically, the indoor temperature.



did you know that

... there are 36,000,000 Radios on the road today?
That's 1 million more than there were last year! Just one more reason why

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WFAA	Dallas-Ft. Worth	WTAR	Norfolk	KOBY	San Francisco
KOSI	Denver	KFAB	Omaha	KMA	Shenandoah
WANE	Fort Wayne	WIP	Philadelphia	WNDU	South Bend
KPRC	Houston	KPOJ	Portland	KREM	Spokane
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\$1,000 and \$1,200—varying with a home's construction. The 20 "room" models, installed, range from about \$225 to \$350.

Fedders recommends the room-type heat pump for add-on basement or attic rooms and "those chilly, between-season days," to supplement existing central heating systems.

In addition, buyers of new homes are told that, with central heat pumps, they can put air-conditioning to work providing both heat and cold throughout a house. "At a cost of only \$200 more than that for 'summer' air-conditioning," Giordano says, "buyers can get more all-season comfort—and in the process add \$500 to \$1,000 to the value of their homes."

Operating costs, however, still depend on favorable electric rates. In the Philadelphia area and in Florida these are now around 3½ cents a kwh. Local utilities of American Electric Power Service Corp., in the East and Midwest, are cooperating; Commonwealth Edison, Chicago, and Detroit Edison, among others, have run full-page newspaper ads urging builders to include the plus value of heat pumps in their homes, and urging home buyers to see the offerings of those who do.

In moderate-temperature areas, Fedders points out, heat pumps can replace central heating.

Though such pumps in one form or another have been in use for some years, a new industry has just begun to strike its stride. Salvatore Giordano estimates that only 300,000 homes as yet have any type of heat pump. Of these only about 7,000 are central systems. Of the air-to-air central systems sold, "nearly half have been Fedders."

► Competition will be intensified this year when General Electric will introduce a new heat pump. Fedders is ready to take on this and other contenders. In 1958, when industry sales of room air-conditioners (including heat pumps) declined 18%, Fedders' "own" brand volume reached a record—both in units sold and in length of leadership over G-E, the No. 2 brand. In the first quarter of fiscal 1959, ended November 30, Fedders' profits and sales of own-brand air-conditioners both were highest in history for this period.

With the ending, last summer, of a contract to make these products for RCA Whirlpool, Fedders now concentrates all efforts in this field on its own brand.

Other divisions of the company's \$54-million-a-year business include radiators for motor cars, heating systems, water coolers, refrigeration

Keeping Cool with Giordano

Salvatore Giordano, 49, was born in Brooklyn of immigrant parents. He wanted to be a doctor. Instead he's president of The Fedders Corp., Maspeth, N. Y., which has made and sold more room air conditioning units than any other company in history. He's never forgotten his humble beginnings, wanders through the plants, chats with workers, confers with foremen. (He drives his own car to work early each morning, stays late.) He began with Frank J. Quigan, Inc.—later bought by Fedders—as a floor boy in 1927. Later he moved into sales, by '35 was a vp.



Salvatore Giordano of Fedders

condensers and handbag frames—of which Fedders is the largest maker.

But in eight years air-conditioning has grown to half its total. In room air-conditioners Fedders has held first place since 1955—outranking such giant corporations as G-E, Westinghouse, Philco, Whirlpool (which gets promotional support from RCA), Chrysler (Airtemp), York, Sears (Coldspot) and General Motors' Frigidaire.

Giordano regards G-E and Westinghouse as Fedders' "primary competition"—and then Frigidaire, RCA Whirlpool and Philco. These five had last-reported combined annual volume of \$19 billion. The largest of them (GM) had 200 times and the smallest (Philco) seven times the sales weight that Fedders could throw around.

But Giordano is not worried. He is sure that Fedders can out-engineer, outsell and out-manuever the sales billionaires in this big new battle.

All of this company's 80 distributors and most of its thousands of dealers now offer heat pumps. "Though the dealers handle other home appliances and other products," Giordano says, "their most important line is air-conditioning. Already, heat pumps have lengthened their selling season from late spring and summer to year-around."

Fedders itself now fills distribution pipelines earlier and keeps them filled more steadily.

For advertising and dealer incentive plans Fedders now spends \$3 million annually. In 1958, 80% of the advertising, including co-op with distributors and dealers, pushed heat pumps.

One four-month count in 1958 by Advertising Checking Bureau, cover-

ing all daily and Sunday newspapers in 64 major markets, gave Fedders 29,341 inches of "dealer" advertising—followed by G-E with 20,752 inches, Westinghouse with 12,163 and Sears' Coldspot 10,172.

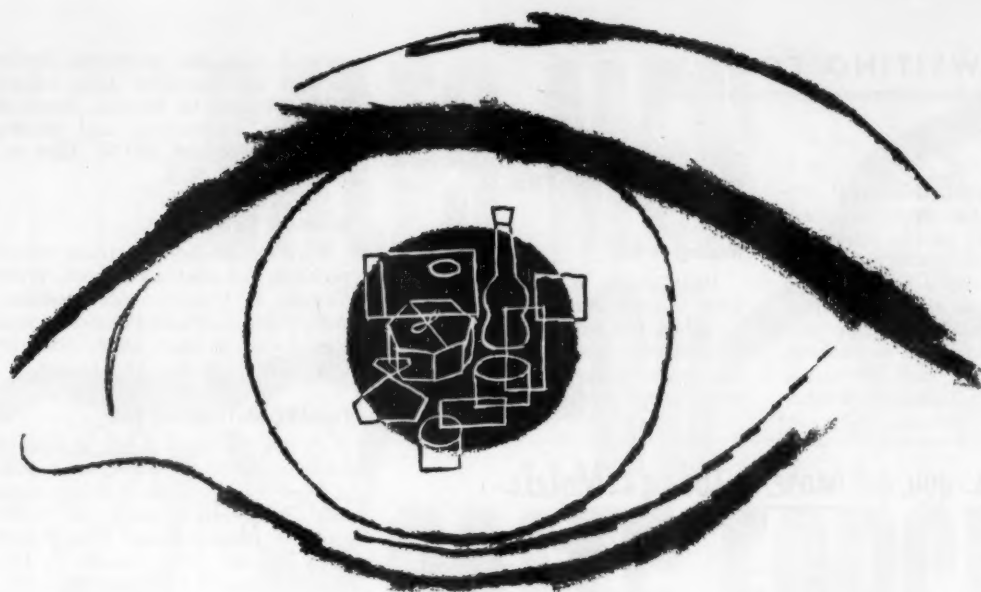
Among all 22 makes reported by name, Fedders had 24.2% of cumulative "dealer" and "factory" total. G-E came up with 15.1%; Westinghouse 8.3%; Coldspot 6.9%. Fedders stood first in newspaper lineage in 30 markets. G-E led in 14, Westinghouse in four, Philco in three, and Coldspot, G-E's Hotpoint, RCA Whirlpool and York in two each.

Among the largest markets, Fedders was out front in Atlanta, Baltimore, Boston, Cleveland, Louisville, New Orleans, New York and San Antonio. G-E ranked first in Dallas, Kansas City, Los Angeles, Minneapolis, St. Louis, and Washington. Philco led in Chicago and Cincinnati; RCA Whirlpool in Milwaukee and Philadelphia. Other brands were on top in one major market each.

"In the last two years," Salvatore Giordano explains, "we've strengthened distribution throughout the country. In all metropolitan areas we're now doing an 'adequate' job. But we aren't satisfied: While others may settle for 10% of the business in a market, Fedders must have at least twice that much."

In ratio of earnings to invested capital, Fedders Corp. ranks among the first 50 manufacturers. Giordano intends to "continue to employ our capital in present areas. By fiscal 1963 we expect to double sales—to \$100 million. Air-conditioning—and specifically heat pumps—would produce the bulk of them." ♦

L.M.H.



**HAVE YOU
SEEN YOUR
PRODUCT
LATELY?**

Sure, we know you've looked at it — in the plant, on the shipping platform, or maybe in your sample kit.

But have you *seen* it the way a prospective customer sees it?

It is amazing what you sometimes see when you get around to the other side of the desk and look at your product from the prospect's skeptical and frequently uninformed viewpoint. You discover questions that need answering. You learn that some of your product's best features can pass unnoticed. You find out that a minor feature (or one you think is minor) carries much weight with some users. And from all this you are able to isolate the real sales appeals and the real obstacles (not just the excuses your salesmen often get.)

This is why we make it "standard order of procedure" to circulate among our clients' customers and prospects and listen as they talk about their needs, their problems, and their ideas. After a number of calls of this sort we begin to see a client's product, not just as he sees it, but as the prospect sees it.

Then, not because we are smart but because we know what prospects want, we are able to prepare selling tools that correct the misconceptions, answer the questions, and pave the way for increased sales when your salesmen call.

These selling tools take different forms, depending on the need: manuals, handbooks, catalogs, sales aids, advertisements, direct mail. The same research that reveals prospects' needs often shows the best means of communicating with them.

There is no magic in this approach, but there is a lot of hard work on the part of skilled investigators. There is a good deal of satisfaction, too, when we help a client "see" his own product, and then sharpen his advertising so as to help remove the real or imagined obstacles that retard his sales.

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WORTH WRITING FOR . . .

Our 49th State

Just off the press, this report covers geography for marketing men; country; climate; people; economy; supply lines to consumers; personality of markets and media serving them; potential as a state, as a market; past and present population growth; projected population growth by markets; projected volume of sales for various products. Write Townsend Griffin,

Vice President, Dept. SM, Benton & Bowles, Inc., 666 Fifth Ave., New York 19, N. Y.

Mining Is Big

1959 guide to meet world-wide 1960 mineral demands: Total U. S., Canadian and world mineral production figures; potential as a major equipment market; separate operations; mines producing major metals

in each state with production figures in tons and estimated dollar values. Write William H. McNeal, Research Manager, Engineering and Mining Journal, Dept. SM, 330 W. 42nd St., New York 36, N. Y.

Business Travel

Twenty modern business travel problems and solutions to them. Write Vincent P. Conroy, Vice President, Advertising and Sales Promotion, Avis Rent-A-Car System, Dept. SM, 18 Irvington St., Boston 16, Mass.

Food Items That Sell Best . . .

. . . in the rural South. Latest of continuing study of types and brands of food, food products and beverages most frequently bought by 5,000 southern rural families. Use of 106 items covered. Write Orville C. Demaree, Research Director, Dept. SM, The Progressive Farmer, Birmingham 2, Ala.

Mr. Minnesota

Survey of more than 1 million men with emphasis on Minneapolis and Hennepin County: interests; buying habits; product inventories; sports and outdoor activities; grocery shopping; automobile ownership; air travel; products on hand. Write William A. Cordingly, National Advertising Manager, Dept. SM, Minneapolis Star and Tribune, Minneapolis 15, Minn.

Sales Aids from Advertisers

Have you written for these booklets described in recent advertisements in Sales Management?

Material Handling: Two studies: How industry buys it in Cleveland. Market for dockboards. The Industrial Publishing Corp., Dept. SM, 812 Huron Rd., Cleveland 15, O.

Credit Insurance: Explains why you can stop worrying when your accounts receivable are protected. American Credit Indemnity Company of New York, Dept. SM, 300 St. Paul Pl., Baltimore 2, Md.

Straight-Line Advertising: Illustrates how you can penetrate farmers' checkbooks by localizing your ads with gravure. The Ohio Farmer, Dept. SM, 1010 Rockwell Ave., Cleveland 14, O.

Brief Case for Holding Your Convention in Cuba: Filled with ideas for planning sales incentive conventions. Cubana Airlines, Dept. SM, 625 Madison Ave., New York 22, N. Y.

The Molded Package Evaluator: From hardware to hamburgers, it shows how molded packaging increases sales and profits. Monsanto Chemical Co., Plastics Division, Dept. SM, Springfield 2, Mass.

Just as you get more in today's Motels



you get more sales power with **AMERICAN MOTEL**

There's been a big change — motels now outnumber hotels 2 to 1 and have also overtaken hotels in dollar volume for room rental. 57,930 motels with 1,241,078 rental units serve 1½ million guests every night and gross more than two billion dollars a year.

What's more, the industry is growing at an annual rate of 2,000 new motels and 85,000 rental units. Today, the average new motel is twice the size of that built five years ago. There is an ever-increasing percentage of large luxury establishments, downtown big city motels and national chains.

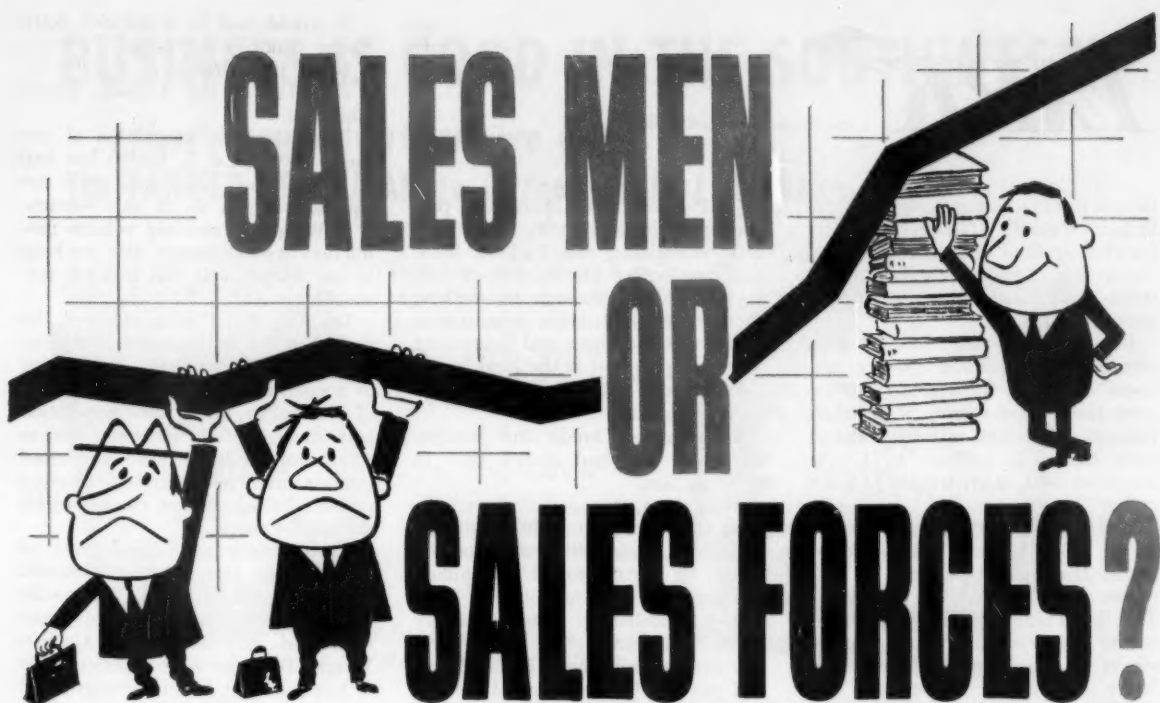
The big motels, the top 30 per cent, offer a wide range of services and facilities . . . and they do 65 per cent of the buying. It is in this concentration of buying power that the sales power of American Motel is felt.

American Motel has the largest circulation of any book in the lodging field and is the only book serving the giant new motel & motor-hotel field, (as opposed to tourist courts, hotels and resorts.) To get the complete story send for these market and media tools:

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- Motel Distribution Study
- Motel Planning and Purchasing Study
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Today's Sales Manager tends to regard his job as that of marshalling *forces for sales* rather than directing the activities of salesmen alone. True, most industrial sales are still closed by salesmen. But in current industrial markets, much of the salesman's function as prospector and prime mover (prior to actual closing) is shared with other media.

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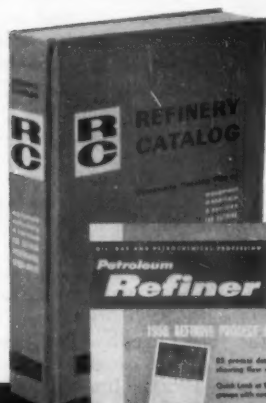
Permanently pre-filed in REFINERY CATALOG, your product data is always at hand for preliminary equipment selection and cost estimating . . . holds the line until your representatives can take over. Preferred to individual catalogs by the vast majority of buyers, REFINERY CATALOG is the *only* comprehensive, cross-referenced buyers' guide serving this industry. Three hundred suppliers of more than 1,000 products and services use this effective, low-cost plan to keep current sales literature immediately available. REFINERY CATALOG is published every year and distributed to 9,000 buying locations to blanket the industry's primary buying power.

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PIPE LINE INDUSTRY
PIPE LINE CATALOG

LARK

(continued from page 35)

tioned manufacturing economies, enlarged research facilities, "dealer franchising fitted to each community"—including "dualizing" the lower-price Studebakers with the higher-price Packards.

But 1954 had been rough. Both divisions had suffered "severe setbacks in sales." After credit for income taxes of prior years, Studebaker-Packard still wound up with a loss of more than \$26 million. In a year long-term debt nearly trebled to \$25.6 million.

And this was just the start of it.

For 1955 Hoffman and Nance reported that market positions of both makes had "seriously deteriorated." The Big Three were loading dealers harder than ever, and the company's efforts to strengthen retail coverage "were, in large part, frustrated."

On \$482 million sales the company lost (after special credit) \$29.7 million.

Stockholders learned that "resourcefulness and imagination, bold action undoubtedly, are called for in this very difficult situation."

Apparently, Hoffman and Nance fell short in these qualities.

In mid-1956—with an advisory management contract, an agreement to buy or lease certain S-P facilities, and a five million share stock option—Curtiss-Wright Corp. moved in. On October 1, 1956, Harold Churchill was installed as president. Vice president for engineering, he had not until then been a director.

Hoffman retired. Nance went to Ford. . . .

While retrenching, Churchill set out to rebuild.

As compared with 11 vice presidents in 1955, for example, Studebaker-Packard now makes out with three. R. A. Hutchinson (export) survives. A. J. Porta was advanced from comptroller to executive vp, and Sydney A. Skillman became vp for sales. Both were soon made directors.

Reporting for 1956, Churchill said that the corporation has "turned an important corner," and "can look to the future with a measure of confidence. . . . We have targeted a profit for 1957."

His program involved: Dropping Los Angeles and Detroit plants and concentrating production in South Bend; combining Studebaker and Packard-Clipper divisions; combining all warehousing at South Bend; clos-

ing S-P's own retail operations; producing more parts itself; introducing new Studebaker and Packard lines, and distributing Mercedes-Benz cars in this country through its dealers; strengthening the dealer organization with a new franchise, and "increasing advertising support at the local level."

Meanwhile, sales had plummeted to \$304 million.

Before special credit and charges, the year's loss had soared 60% to \$43.3 million.

After them, this one year's red sea more than trebled to \$103.3 million.

Harold Churchill was cleaning house. Of the additional \$60 million he provided \$28 million for "estimated cancellation costs, inventory obsolescence and other costs," and \$32 million for "general obsolescence, and possible loss on disposal of high operating cost" and surplus facilities. (Some of Studebaker's machines are a half-century old.)

In the process he pared assets, in 1956, from \$229 to \$146 million, and then in 1957 to \$117 million. Net worth—after subtracting all current and long-term liabilities—fell to \$15.6 million and then to \$4.5 million.

Other expenses were being reduced—sales, general and administrative, for example, from \$40.8 to \$26.8 million. But until the Lark could be brought to market, he had to struggle through on various devices—and faith.

Reporting for 1957, Churchill admitted that "we have not reached (our) goal."

► "A marketing setup had been formed for Mercedes-Benz. Studebaker itself was building cars to "fit selective or less competitive markets." Among these were taxicabs and the low-price "untrimmed" Scotsman passenger car, which was a sort of trial run for the Lark. Dealer losses were reduced; dealer development begun.

But 1957 sales and all other revenue fell to \$216 million. . . .

The report for that year was released last March 17.

Then came the word that something was stirring at Studebaker.

On April 25, in a story on the annual shareholders' meeting, the South Bend Tribune heralded the Lark. It would be a "small, low-priced car combining inside roominess with economy of operation and attractive new design."

It would "not be a stripped down model like the Scotsman."

South Bend stirred.

On May 25 the Tribune quoted Churchill:

"The executive committee of our union (S-P Local 5, UAW) has had a look at our plans and they are squarely behind us in this venture. . . . We don't need big volume production to make money. We can keep in our league and still make a reasonable profit."

On August 19 he announced the ending of the management agreement with Curtiss-Wright, and the signing of a contract with A. M. Sonnabend of Boston to direct an "acquisition and diversification program." Some \$54.7 million loans were converted into secured notes and non-voting preferred stock. A new car would hit the market soon.

Entrepreneur Sonnabend—head of Botany Mills, Hotel Corp. of America and Consolidated Retail Stores—did not "take over" Studebaker, any more than had Roy Hurley of Curtiss-Wright. But from wide experience, he is helping. And further strength and stability on Studebaker's board is contributed by two other new directors: Clarence Francis, former chairman of General Foods, and Dr. Edward H. Litchfield, chancellor, University of Pittsburgh.

September 30, in South Bend, was "Studebaker Community Day." Local leaders learned from Churchill that the new car, "three feet shorter than the average American car," would be priced under \$2,000.

The lure of the "Lark by Studebaker" had brought the company orders more than double those of a year ago. In September alone 205 dealers were added. . . . And in all of Churchill's 32 years with Studebaker, he had never seen "anything like the spirit we have here now."

For South Bend workers and merchants and their families, Christmas became merrier:

On December 17 Studebaker announced that it operated in the black during both October and November.

The Lark was first previewed by the press on October 7. The bulk of dealers first saw it October 20—and started to sell it November 14.

In the first month since then, Churchill said, "sales exceeded any 30-day period since June 1955."

The work week had been stepped up from 40 to 53 and then to 60 hours. Hourly production rose from 54 to 70 passenger cars.

At peak in 1953 Studebaker employed 22,000. Its "normal" payroll was 18,000. Late last month 9,700 were back on the job, and 10,000 would be in February. All the people

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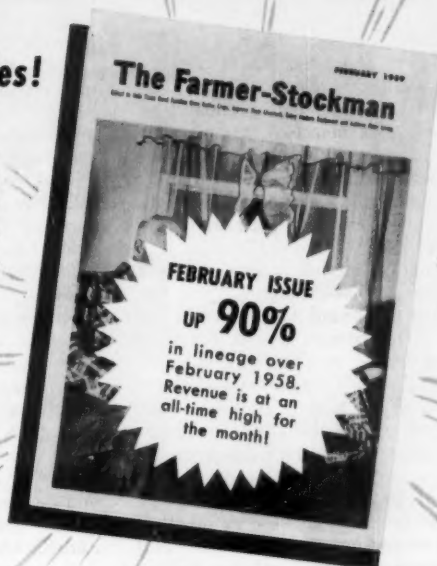


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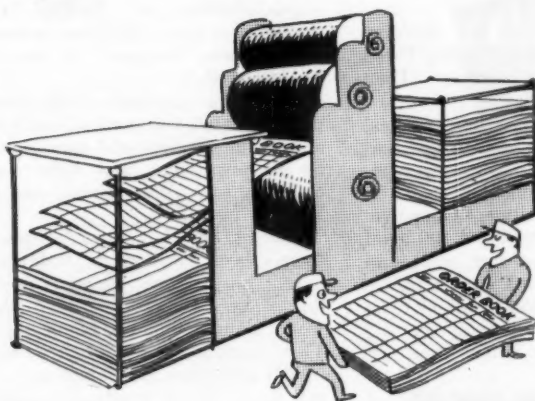
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The Farmer-Stockman

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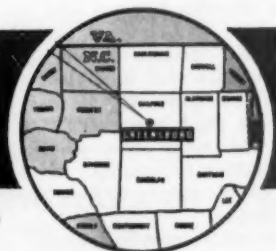
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Sales Management Figures

Greensboro News and Record

GREENSBORO, NORTH CAROLINA
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on the call-back list were working, and 600 more were hired. For the first time in five years Studebaker faced the problem of large-scale training.

December output of Larks and Silver Hawks—the latter 8% of the passenger-car total—came to 13,855. This beat all December marks since 1951. In the Lark's first two months, said sales manager Skillman, 600 dealers were added. Studebaker is struggling to provide all 2,600 of them with enough cars to meet their mounting demand.

Though Churchill will not reveal the outfit's break-even point, it is believed to be around 125,000 units annually. The current rate is 170,000. Syd Skillman won't reveal specific targets. But he'll be downright disappointed if he has to settle for less than 3% of the industry's probable 5.1 million—or 153,000. Privately, he talks in larger terms.

In January Studebaker produced 2.7% of industry, and the momentum is still mounting.

"Capacity" of the South Bend plant is 280,000.

Neither Churchill nor Skillman will say when they expect to fill it.

Though Churchill plans five years ahead, he doesn't talk that far.

"There is," say his associates, "no horse manure in Churchill."

The man's own reasons for the up-turn are simple:

1. A good, low-price product;
2. A bigger and stronger dealer organization, and
3. Reduced costs of operations.

► Less eloquent than, say, ex-salesman George Romney of American Motors, he admits that "we're riding the smaller-car trend. But we're also contributing to—and accelerating it."

Studebakerites doubtless are irked by the fact that theirs is a later "success," and that even the better words already have been uttered by the other independent.

Though Studebaker was promoting smaller cars for 15 years before AMC, it was Romney who set out to "out-flank the Big Three" with his "compact" Rambler.

It was not Episcopalian Churchill but Mormon Romney who had gone forth as St. George to fight the "gas guzzling" dragons on our highways.

But Churchill is no less a leader. In his quiet way he has become even a good "promoter."

It has taken some solid—and even brilliant—salesmanship, for example, to get the money to keep Studebaker rolling.

Investors must have caught some of the man's faith: In the last eight

months—with no very imminent prospect of dividends—Studebaker-Packard common on the Big Board climbed from \$3 to \$14.50.

Through all the lean years the company kept on advertising. This year's budget, reviewed quarterly, has been projected at \$8 million. It is divided roughly 30% each for newspapers and magazines, 20% for TV, 15% for spot radio, and 5% for outdoor.

The account is handled—under James W. Orr, merchandising and advertising director—by D'Arcy Advertising Co., New York, and five other offices. Selva & Lee does corporate relations and Jim Moran Associates (Moran's the man who first sold ice-boxes to Eskimos) develops product publicity.

Sonnabend is working on possible acquisitions. But Churchill emphasizes that "we'll continue to be, primarily, an auto company. We're spending 1½% of sales for research and development to stay in this race."

The Lark was not born on a hunch: "One function we've expanded and improved is market research," Churchill explains. "The Lark's a creature of the 'marketing concept.'"

"In 1956 we sought to find out what people would buy in 1959. We found that the handwriting already was on the fins. We developed basic shapes which we believe will last. The Lark won't readily be obsoleted. Model changes will be gradual."

"At the same time we learned that we must put our dealers into a less-expensive price area in the market. In this area I believe we can turn circles inside the Big Three."

Sales vice president Syd Skillman also is convinced that the Big Three don't have all the answers. (They slipped, too, last year.)

"By last summer," he explains, "the number of our dealerships had dropped under 2,000. We were especially weak in metropolitan areas. So we launched a recruitment campaign. We brought to South Bend 100 good dealer prospects from met areas, and let them drive the Lark months before its formal introduction. Some of them were handling new cars of the Big Three. Some were better used car dealers."

"We signed more than 90% of them."

Neither Studebaker's Skillman nor his alter ego at American Motors, Roy Abernethy, will reveal how many and which Big Three dealers have taken on Lark or Rambler. But Skillman says less than 20% of his dealers now "dual" with other makes—higher-price domestic or import.

Studebaker's present total 2,600 now provide "85% representation"

(which is automotivese for "coverage").

"A lot of our older dealers kept going on used cars—a good business in 1958—and on service. The Scotsman helped too. Actually, two-thirds of the then 2,000 operated profitably."

He does not yet have similar data on the new-and-improved group of 2,600. All of them handle both Lark and Hawk; most of them Studebaker commercial vehicles, and a smaller number the Mercedes, priced from \$3,200 to \$12,000.

The Lark, priced from \$1,925 to \$2,495, is offered in 108-, 113- and 120½-inch wheelbase, in six and eight cylinders, with horsepower ranging up to 180. The Silver Hawk, a sports type, is middle price. Its sales trend is steady. Commercial vehicle volume has risen modestly from a year ago. The Lark currently accounts for 85% of all the company's unit sales.

Adversity did not humble Studebaker.

► "For a whole year," Skillman explains, "dealers who wanted to stay in the fold had to meet rigid requirements."

"Market analysis showed that 3,000 dealers could operate profitably. The approximately 100 dealers now being added monthly are net. About 125 are appointed and 25 dropped."

"Since the Lark appeared we've had 1,000 applications for dealerships. We consider only those from experienced automobile dealers. Some of them formerly handled Packard."

(Manufacture of Packard cars stopped last year. This line, however, has not been "dropped." It may just be "deferred.")

Studebaker conducts dealer-incentive programs, "as needed," with trip awards for dealers and merchandise for its own men. "But right now," Skillman says, "our dealers are too busy to travel!"

Among key factory sales people there's been surprisingly little turnover. The 16 zone managers are all Studebaker veterans. Under them work about 100 district managers. These average out to 25 dealers each. "We'll add more," Skillman says, "as our dealer group approaches 3,000."

And perhaps because Studebaker has too many veterans, he adds: "We want youth."

Youth, however, should come with some sales experience. A recruiting and training program that had tapered off, is being stepped up. Studebaker is getting reacquainted with colleges (one of the more famous of which is South Bend's own Notre Dame). Zone managers hire in their areas.

Among others, "the Lark story" is being told to up-and-coming executives in Junior Chambers of Commerce. It is being told to such "influencers" and "bulk buyers" as finance institutions and fleet operators.

Sixteen months ago, when Studebaker first introduced taxicabs, it started with the "toughest market." Today, 600 of its cabs are rolling on New York City's streets. Cabbies in Atlanta, Boston, Buffalo, Pittsburgh and Philadelphia, among others, seem to like them too.

The rest of us are learning about the "Lark by Studebaker" in a lot of different ways.

For advertising some 1,500 newspapers, including weeklies, are steadily scheduled. Last month the Lark first appeared on 3,200 monthly 24-sheet posters in all "newspaper" markets. The magazine campaign, with themes pinpointed to specific audiences, embraces Holiday, Ladies' Home Journal, Life, Newsweek, New Yorker, Reader's Digest, Saturday Evening Post, Sports Illustrated, Sunset and Time. Harper's Bazaar has just been added.

► Kick-off ad for the whole magazine series was a multi-pager in the mass books, signed by and showing Harold Churchill with the Lark. The headline was: "Your New Dimension in Motoring . . . Born in South Bend."

The new car is promoted weekly on NBC-TV's Jack Paar show on 120 to 140 stations. At intervals, for two weeks across the board, spot radio is scheduled on a "saturation" basis.

Other campaigns advertise Silver Hawk and, in a wide list of business papers, Studebaker's commercial vehicles. . . .

Since October 1956 engineer Churchill has learned quite a lot about marketing. But he lets the marketers do their job.

And when he has time, he's still an engineer. A list of his own patents totals 50. His work on the Weasel, amphibious tracked carrier for our armed forces, won him a Certificate of Merit from President Truman.

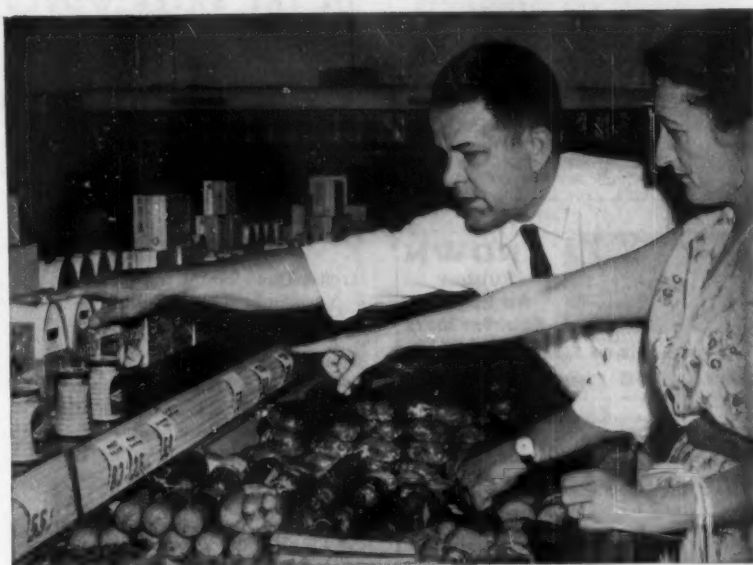
At the end of each busy day he takes a car off the production line and drives it home. The next morning he turns it back to the engineers with his comments.

Sometimes, facetiously, Harold Churchill "feels sorry for the people who don't have the day-to-day challenge of my job."

Then, seriously, he adds: "I did not become president of Studebaker merely to delay the time when it would be forced out of business by larger and wealthier competitors!"

He and Studebaker are in this thing for keeps. ♦

The man from Cunningham & Walsh



It makes a lot of sense for Dick Ide, advertising agency account man, to work in a supermarket. What he learns about how people buy is taught best by first-hand experience. That's why our account men, writers, artists, and TV staff work a full week a year at retail. Our advertising sells better for it. Cunningham & Walsh Inc., New York • Chicago • Detroit • Los Angeles • San Francisco.



Selected to fit your needs! Ideas that will help you get real results!

VINCENT EDWARDS & CO.

World's Largest Advertising Service Organization
342 Madison Ave., New York City

Please tell me more about your newspaper ad clipping service and special short term trial offer.

Name

Company

City

VINCENT EDWARDS & CO.
342 MADISON AVENUE
NEW YORK CITY

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ANSWERS YOUR TELEPHONE
24 HOURS EVERY DAY

Offices everywhere — Act as branch offices
— Receive Mail — Accept phone
orders — For information look for
ANSWER AMERICA in the
WHITE SECTION of your tele-
phone directory or call in-
formation or write
ANSWER AMERICA, INC.
85 East Washington Street, Chicago 2, Ill.

Four Roses
ANTIQUE
RUBBER Ad Rugs & Counter Mats

Take Giant Sales Steps
WRITE **CROWN** RUBBER CO., Fremont, Ohio

INCREASE YOUR PRESTIGE

It pays off! Exciting, profitable things can happen to the man whose book is published under our plan. He gains recognition. Our books are written up in the N. Y. Times, Saturday Review, Winchell, Ladies' Home Journal and all key media.

FREE! The behind-the-scenes story of book publishing revealed in two brochures. Learn how you can get 40% royalties, local-national publicity and greater social-professional stature. Prompt editorial appraisal of manuscripts. Write S. Post, Exposition Press, 386 4th Ave., N. Y. 16

**I'm walking
on
air...**



Just had my annual medical check-up. (Smart move.) I'm making out a check to the American Cancer Society, right now—that's a smart move, too.



**Guard your family!
Fight cancer with
a checkup and a check!**

AMERICAN CANCER SOCIETY

EXECUTIVE SHIFTS IN THE SALES WORLD

A-S-R Products Corp. . . .

Jerome H. Gordon joins as vice president, marketing.

American Greetings Corp. . . .

Miles Birdsall named vice president, sales, marketing and research. Lee Riggio becomes sales manager.

Archer-Daniels-Midland Co. . . .

Norman J. Harris named sales manager, plastics department.

Armstrong Cork Co. . . .

E. W. Jones becomes field sales manager; C. B. Grove general manager, market development; Gordon K. Billipp manager, new product development, all newly created posts.

Borg-Warner Corp. . . .

J. R. Harker appointed commercial marketing manager, consumer products, Pesco Products Division.

Bridgeport Brass Co. . . .

Renald W. Frederick, assistant sales manager, brass mills products, named assistant to the president.

The Brunswick-Balke-Collender Co. . . .

Howard W. McCullough promoted to senior vice president; Milt Rudo to vice president, sales manager.

Chase Brass & Copper Co. . . .

Herman H. Kremer appointed manager, marketing staff; Paul M. Thomas

named manager, mill sales; John L. Cotsworth named manager, warehouse sales.

The Flintkote Co. . . .

Edward W. Douglass named general sales manager, Insulrock Division.

G. S. Equipment Co. . . .

Carrel H. Neffenger promoted to general sales manager.

Could-National Batteries . . .

Harvey N. Stover appointed assistant vice president, industrial sales.

A. S. Harrison Co. . . .

W. William Theis elected vice president, sales.

The Hoover Co. . . .

Frank Litton promoted to field sales manager.

Koppers Co., Inc. . . .

Thurman F. Naylor appointed sales manager, Metal Products Division.

Prince Matchabelli, Inc. . . .

Paul P. Woolard advanced to vice president, marketing.

U. S. Industries, Inc. . . .

M. L. Mandeville named vice president, director of sales, International Division.

Walworth Co. . . .

Harold Brown appointed general sales manager.

Worthington Corp. . . .

Jack B. Laramy appointed manager, sales.

A SALES MEETING IS ONLY AS GOOD AS IT SOUNDS!

and how it sounds depends first on
your P.A. Microphone

Don't let a poor Public Address Microphone stand between you and your sales force—because if what you say is important, it's important that your men get it...every word!

Get the microphone that gets your
message across best... the

UNIDYNE
by **SHURE**

Used by thousands of the world's largest corporations for clear, intelligible sound quality... regardless of room size.

Write on your letterhead for non-technical literature telling you how to improve the sound of your sales meetings:

SHURE BROTHERS, INC.
222 Hartrey Ave., Evanston, Ill., Dept. 20-B.



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VICE PRESIDENT, SALES

Randy Brown

SALES PROMOTION MANAGER

Philip L. Patterson

Asst. to Vice President, Sales

Cecelia Santoro

ADV. SERVICE MANAGER

Madeleine Singleton

PRODUCTION MANAGER

Virginia New

DIVISION SALES MANAGERS

New York—W. E. Dunsby, Wm. McClenaghan, Elliot Hague, Howard Terry, Robert B. Hicks, Dan Callanan, John A. Spooner, 630 Third Ave., New York 17, N. Y., Yukon 6-4800.

Chicago—C. E. Lovejoy, Jr., Western General Manager; W. J. Carmichael, Western Advertising Director; John W. Pearce, Western Sales Manager; Thomas S. Turner, 333 N. Michigan Ave., Chicago 1, Ill., State 2-1266; Office Mgr., Vera Lindberg.

Pacific Coast—Warwick S. Carpenter, 15 East de la Guerra, Santa Barbara, Calif., WOOLand 2-3612; (space other than publication or broadcasting accounts), M. A. Kimball Co., 2550 Beverly Boulevard, Los Angeles 57, Cal., or 681 Market St., San Francisco 5, Cal.

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TODAY'S ADVERTISING

Policies • Trends • People

by Lawrence M. (Mike) Hughes

Gift

Poppin' proud of his first driver's license, a magazine publisher's son drove into a station to get "a gift certificate for \$20 worth of gas."

The attendant thought he was loco.

The publisher believes "some oil company" would be wise to "snag the names of all the first drivers; welcome them with a letter and book on driving tips; offer them a free safety check—and gift certificates."

This milestone might rate with birth, graduation and matrimony as an endless Economic Event.

Gross

Discrepancies still arise between what advertisers spend and what media say they spend. CBS-TV Spot Sales advertises that "in 1958 Lestoil's entire advertising budget (\$9 million) went into spot TV." In a recent talk Ike Eskanasy, exec. vp of Adell Chemical, Lestoil's maker, put the 1958 TV tab at \$6,950,000.

Lestoil also has added newspapers.

Long

Some survive in advertising. A note from Rudy Guenther reminds me that, at 87, he's still busy at Albert Frank-Guenther Law. Rudy happened to be born just when (1872) the AF part of AF-GL was founded. One employee, senior vp Vic Cevasco, has been on the payroll 57 years.

Of AF-GL's listed 1,400 accounts, 700 also are "active." Last year's \$15.5 million billing divided 70% for financial and 30% for "general" clients.

Culture

Calvin Kytte of Nationwide Insurance companies, Columbus, is in despair: "We Americans spend three times as much on alcohol as on school construction, and three times as much for chewing gum as for scholarships.

"In England, at any given time," he adds, "55% of the population are found wrapped up in a book. Here only 17% of adults can be caught reading any book—Spinoza or Mickey Spillane."

Hormones

Helena Rubinstein has her picture in the ads (mixing vital female hormones, estrogen and progesterone) for Ultra Feminine cream. So Revlon's Charles Rev-

son must show himself talking about polyunsaturates in Ultima, "the precious cream," (\$20 and \$12.50).

Homey

For Howard Johnson's new 300-room beach lodge at Nassau nothing's said about 29 ice cream flavors. Still the menus are "Stateside."

Media

Records: In '58: Journal of American Medical Association led all "journals" in ad pages. . . . New Yorker was first in ad pages among magazines. . . . But N.Y. Times Magazine "published more lines of advertising than any other magazine." . . . Though Reader's Digest's 12.1 million (U.S. edition) had most mag. circ., Metro Sunday came up with 17,751,199 and This Week 12,873,378.

All TV, up 8%, cost \$1,394,000,000. (Network was \$720; Spot \$398; local \$276 million.) . . . Magazine ad revenue went down 5.7% to \$696.3 million; newspapers dipped about 5%. After rising nearly 7% in first half, spot radio slipped off 3.5% in third quarter.

Medals: Because rising American Motors last year spent most of its money in newspapers, the BofA cites George Romney for "consistent and imaginative" use of. Not long back, radio was praising Romney. Trouble with magazines is that they don't give medals.

Small: One analyst notes that small-size magazines—Coronet, Reader's Digest, TV Guide—racked up large ad gains. . . . He expects smaller-circ. "think" books to prosper: If he were GM (seeking to sell its size to opinion-molders) he'd schedule Atlantic, Harper's, Harvard Business Review, The Reporter, The New Yorker, Saturday Review and Scientific American.

Clip: Coupon Magazine, New York, bi-monthly sells two million non-returnable copies to 8,800 Mid-Atlantic stores. For 20 cents consumers get \$5 worth of coupons from grocery advertisers.

Tape: ABC-TV's "Pat Boone Chevy Showroom" introduces "instantaneous switching from live to tape." . . . Among CBS-TV's upcoming "specials," I count eight live, four film and three tape.

Audit: TvB's George Huntington "can't compare print cost per M with anything because there is no measure of print's audience." . . . Look's Vern Myers rebuts; endorses the suggestion of George Abrams of Revlon for a TV Audit Bureau—and would throw in radio too.

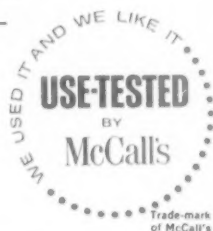
Uncle: Life's Clay Buckhout would have the Advertising Council "develop an innovation role—on behalf of the government and of advertising," and let Uncle Sam buy his own: "I see no reason why armed services recruitment should be handled with public funds, while a Savings Bond series is sponsored by private business through the Council."



Photo by Suzanne Szasz

"IN THIS CORNER..."

If you're like most people, you undoubtedly take a manufacturer's reputation as your assurance of a product's quality when you buy. But when it comes to the kind of wear-and-tear it will actually get in your home, it's good to know the product has been Use-Tested by McCall's. McCall's editors and technicians test all kinds of products under conditions equivalent to actual home use. And, with McCall's Use-Tested symbol, they tell you—in easy-to-understand, non-technical language—how the product should perform for you and your family in day-to-day living. *Manufacturers of appliances, home furnishings and almost any packaged product sold in supermarkets, drug stores and department stores can find out how their products can qualify for McCall's Use-Tested program by writing to McCall's, Dept. HP, 230 Park Ave., N.Y. 17, N.Y.*



McCall's, the magazine of Togetherness...circulation now more than 5,300,000



More readers.....more advertising- THE TRIBUNE GETS 'EM IN CHICAGO!

The Tribune sells 900,000 copies daily, 1,275,000 on Sundays—over one and a half times the circulation of any other Chicago paper. It is read by more families in Chicago and suburbs than the top 5 national weekly magazines combined. More than 6 times as many Chicagoans turn its pages as turn on the average evening TV show! Advertisers spent over \$60,000,000 in the Tribune last

year—more than in all the other Chicago newspapers put together. Unmatched, also, is the Tribune's record of advertising results. It outpulls other Chicago papers 3 to one, 4 to one, even 15 to one—evidence of a selling FORCE which is uniquely the Tribune's. And another reason why the Tribune will produce best for you in Chicago!

